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Latin America Report

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GUYANA, TRINIDAD-TOBAGO IN TALKS ON DEBT, COOPERATION

Panday Remarks

Georgetown GUYANA CHRONICLE in English 1 Apr 87 p 1

[Text] Trinidad and Tobago (CANA)--Trinidad and Tobago and Guyana Monday began four days of talks which both sides expect will set in place mechanisms for concrete joint venture investment and trading opportunities.

"We in Trinidad and Tobago welcome the opportunity to explore new mechanisms for joint production and for cooperation between our respective public and private sectors," External Affairs Minister Basdeo Panday said at the start of the talks.

Panday, who is heading the Trinidad team, said the lack of complementarity between the economies of Member States was one factor inhibiting Cancom's effectiveness, though not a very significant factor.

"Happily it is not a factor in the Trinidad and Tobago/Guyana relationship. With its forests, mineral-rich interior and fertile plains, Guyana has an enviable capacity for self-sufficiency and economic development," said Panday, who is also responsible for International Marketing and Tourism.

The Guyana team is lead by Deputy Prime Minister for Planning and Development Haslyn Parris and includes Forestry Minister Dharamdeo Sawh, Economic Adviser to the President, Darlene Harris and President of the Guyana Manufacturers' Association Brian Gittens and head of the Foreign Trade Division, Ministry of Trade and Tourism, Avinash Bhagwandin.

"(We are) attempting to bring to fruition something that our financial advisers...have been working on for three, nearly going on four years," said Parris.

Both Caricom States, he said, now seem to have the political will to effect the long mooted co-operation between them.

The visit by the Guyanese follows proposals by private and public sector officials on both sides aimed at helping to reduce the estimated \$400m (TT) (one TT dollar-27,7 US cents) owed to Trinidad and Tobago by Guyana, mostly for oil imports.

One recommendation has been for Guyana to trade some of its woods with Trinidad and Tobago.

Also suggested has been the use of idle Trinidad and Tobago capital resources for exploiting Guyanese private sector and Trinidad and Tobago's wood, importing and manufacturing sectors were represented at the start of the talks Monday.

The Trinidad and Tobago delegation includes Industry Minister Senator Ken Gordon, Settlements Minister John Humphrey and representatives of the Export Development Corporation (EDC), the Chamber of Industry and Commerce, the Food Production Ministry and the Trinidad and Tobago Manufacturers' Association (TTMA).

Parris on Private Sector

Georgetown GUYANA CHRONICLE in English 1 Apr 87 p 5

[Text] Port-of-Spain, Trinidad and Tobago (CANA)--Guyana sees a high profile role for its private sector in efforts to revive Guyana's economy, Deputy Prime Minister (Planning and Development) Haslyn Parris indicated in Port-of-Spain Monday.

Parris, who spoke at the start of four days of bilateral talks between Guyana and Trinidad and Tobago, said however, that the Guyana private sector needed to de-emphasise trading and become more involved in manufacturing.

His comments were made against the background of increasing efforts by the Guyana Government to pull the private sector into the mainstream of economic activity.

"In neither of our countries can we prosper, count the years ahead and execute plans without the most intense co-operation between the public sector and private sector," he said.

Parris said one fault of the Guyana private sector had been their attempt to make "their riches in heaven" through trading rather than manufacturing.

"That is part of the Caribbean condition and I perceive it to be the role, certainly of the Guyana Government, to aid and abet the private sector's metamorphosis into the role of vibrant production," he added.

Parris said Guyana's natural resources were "crying out" for more than "buying something for x dollars, adding y percent to it and selling it for z dollars."

What was needed, he said, was for the businessmen to recognise the opportunity for "using the resources that are there abundantly in the Caribbean and certainly in Guyana."

Pouring cold water on the "perception" that Guyana was "bankrupt," Parris said bankruptcy meant less resources than liabilities--a concept which did not relate to countries.

CSO: 3298/193
/9317

CZECHS, USSR SEEK JOINT VENTURES IN NORTHEAST

Tractor, Tire Plants Sought

Rio de Janeiro O GLOBO in Portuguese 21 Mar 87 p 22

[Excerpt] Recife--Yesterday, while visiting Governor Miguel Arraes, the Czechoslovak vice minister of foreign trade, Frantisek Langen, announced that the Czechs want to establish a tractor factory and another making tires in Pernambuco, in a company with Brazilian partners.

Arraes claimed that the government of Pernambuco would provide all possible backing to make it possible for these undertakings to materialize, "because there is a need to install factories for implements here, for the small producers of the Northeast."

Soviet Business Interest Reported

Rio de Janeiro O GLOBO in Portuguese 29 Mar 87 p 26

[Text] The Soviet Union is interested in becoming associated with Northeast business owners on the basis of joint ventures, to produce various types of industrial products, including tractors, which would have a market at least 40 percent guaranteed by Cuba and Latin American countries. This disclosure was made by the economic counselor of the Soviet Union's embassy in Brazil, Viktor Nikulnikov.

2909

CSO: 3342/94

SARNEY DENIES RUMORS OF FUNARO RESIGNATION: ADVISORS COMMENT

Rio de Janeiro O GLOBO in Portuguese 26 Mar 87 p 19

[Text] Brasilia--Yesterday, President Jose Sarney said that he had not received any letter of resignation from the finance minister, Dilson Funaro. Immediately after the swearing-in of the new planning minister, Anibal Teixeira, Sarney remarked that everyone has been discussing this a great deal during the past few days, but that there were no grounds for such speculation.

"There is absolutely no truth in it." It was with this comment, made in a categorical tone, that the finance minister, Dilson Funaro, also denied the rumors that he had submitted his request for resignation to President Jose Sarney. Funaro used the occasion to announce the transfer to the Finance Ministry of at least two organs heretofore linked with the Planning Ministry: the State Enterprise Control Secretariat (SEST), and the Budget and Finance Secretariat (SOF).

The federal administration communications secretary, Getulio Bittencourt, also noted that Minister Funaro had not requested his departure from the government, nor had President Jose Sarney suggested that he submit his resignation.

Advisors Claim a Plot

Brasilia--The Finance Ministry's leading advisors have given assurance that there is not merely a plot paranoia, but that there really is an arrangement set up to prompt Minister Dilson Funaro to request his resignation or to be discharged from his position.

That plot reportedly has external and internal ramifications. The enemy is identified in the form of the external creditors, for example, John Reed, of Citicorp, who has made statements to the press which were unfavorable to the country; while the internal representatives in the Chamber are said to be individuals such as Deputy Delfim Netto (PDS [Social Democratic Party]/Sao Paulo), and Amaral Netto (PDS/Rio de Janeiro); and, in the academic area, such as the former president of the Central Bank, Afonso Celso Pastore. They reportedly have in common a resistance to the position assumed by Minister Funaro regarding the foreign debt.

Minister Funaro's advisors have attempted to give the impression that they are participating in the devising of a proposed plan to adjust the economy, developed by the creators of the Cruzado Plan, former members of the government Persio Arida and Andre Lara Rezende; aided by the current president of the Central Bank, Francisco Gros, and economist Miguel Ethel Sobrinho. However, it is known that neither Luis Gonzaga Belluzzo nor Joao Manoel Cardoso de Mello was invited to take part in the meetings sponsored by Planalto Palace, at the request of President Jose Sarney.

2909

CSO: 3442/94

CALLS FOR FUNARO RESIGNATION, ECONOMIC TEAM CHANGES VIEWED

Sao Paulo VEJA in Portuguese 1 Apr 87 pp 92-95

[Unsigned article: "On the Firing Line"]

[Text] Last Tuesday, the increasingly unfathomable mystery surrounding the moves of the finance minister, Dilson Funaro, in the government, evoked a reaction from President Jose Sarney unprecedented in the history of the republic: a denial of the resignation of a minister on the Brazil's Hour radio program. Funaro's resignation, a week after the departure of economist Joao Sayad from the Planning Secretariat, accompanied by sharp criticism from his former partner in the ministry, was even reported by some radio stations, and the rumors did not die down even after the president's denial. The following day, upon receiving the PMDB [Brazilian Democratic Movement Party] deputy from Rio de Janeiro, Marcio Braga, the president had to put him off when asked about the cabinet reform, answering that he knew about it only from the press.

Target of a persistent campaign to cause him trouble, prompted by Sarney's direct advisors at Planalto Palace, and by politicians, as well as businessmen and colleagues from the ministry, Funaro was making an appearance last week more to Francisco Dornelles, his predecessor in the Finance Ministry, than to the powerful minister of the Cruzado Plan's golden age. He began the week by visiting Sarney's son-in-law and private secretary, Jorge Murad, to ask about the group of economists dissociated from the government which was invited to make suggestions for an economic policy; and ended up with the president of PMDB, Deputy Ulysses Guimaraes, interceding with Planalto for his continuance in the ministry. Ulysses brought up the subject during Sarney's trip to Carajas and Sao Luis, accompanying the president of Portugal, Mario Soares, during his visit.

"Funaro must stay, even with the reform of the ministry," argued Ulysses aboard the president's private plane (because he is Sarney's immediate substitute, he never travels on the same aircraft as the president, as a precaution in case of accident). "He has the president's total confidence, and mine as well," he claimed. But, while Ulysses wants to keep Funaro, the PFL [Liberal Front Party] leader, Deputy Jose Lourenco, was in the entourage going to Carajas and Sao Luis with diametrically opposed intentions. "I respect the president greatly, but he needs a firm, determined devil who will put the house in order," needled Lourenco, suggesting that Sarney give the government the order that PFL wants and dismiss the economic team.

New Allocation

It is becoming more difficult every day for an outside observer to understand Sarney's intentions regarding the future of his Finance Ministry head in the government's machinery. As in a cloud ballet, at one time he appears strong, when leading Joao Sayad, his rival in the management of the economy, to the gallows. But, at another, he seems alone, without any influence for creating the successor in SEPLAN [Planning Secretariat]. Brought up for Saya's post in the purged SEPLAN was the community action secretary, former Deputy Anibal Teixeira, who received the position thanks to his relations with Sarney, the success of his management heading the program for milk distribution to the needy population, and backing from the governor of Minas Gerais, Newton Cardoso.

In the new allocation on the top echelon, Funaro also lost the race for nominating the successor to Jose Hugo Castello Branco in the Ministry of Industry and Commerce. For this position, the Sao Paulo governor, Orestes Quercia, allied with Newton Cardoso, contrived the nomination of Ralph Biasi, his close friend. Ulysses, who advised against the nomination, and SNI [National Intelligence Service], which did not veto it but listed a series of obstacles for the president, rebelled against this. Were the clinical state of the Cruzado Plan different, Funaro might not have been able to create the heads of these two offices vital to the harmony of the economic policy either, but at least he would have been heeded. He was not, at Sarney's meeting with a group of 24 Sao Paulo businessmen last Saturday, when his policy and his direct advisors, economists Joao Manuel Cardoso de Mello and Luiz Gonzaga Belluzzo, were harshly criticized.

'Weak Team'

At this businessmen's conclave with Sarney, there circulated a maneuver plotted at Planalto, whereby, in attacking Professors Joao Manuel, special advisor to the Finance Ministry, and Belluzzo, chief of the economic advisory group, they would be aiming at Funaro's leg. The head of the Villares group, Paulo Villares, suggested: "We need to put an end to the absurdities practiced by the government's economic team. The daily improvisation has disclosed a weak team and has caused uncertainty." Industrialist Claudio Bardella, accused the government economists of leaving businessmen "perplexed"; while, in the view of Jorge Simeira Jacob, of the Fenicia/Arapua group, they "do not support the market economy, and are doing everything to make provisions in an opposite direction."

But it was the head of the Brazilian Association of the Electrical and Electronic Industry, Aldo Lorenzetti, who was most explicit at Sarney's meeting with the businessmen, citing what he termed a "dreadful dilemma" shown by the sources guiding the economic policy. "The first one, the Finance Ministry's staff of technicians, is unrealistic, and unfamiliar with the market, much less knowledgeable about the Brazilian reality," he claimed. "The other source, from the party, has unsuitable ideological connotation for a short-term solution to the crisis," added Lorenzetti, ignoring the fact that PMDB had emerged victorious from the last election and that, up until the time that he made

this statement, no one had ever been heard to connect matters involving "ideological connotations" with "deadlines," unless Funaro's advisors have founded a new ideology, "backwardness."

Funaro's major concern at this juncture in his decline is that he might be weakened in the negotiations with the foreign debt creditors (something which, in fact, should stand above parties and individual preferences). He was left comforted, in this regard, by a telephone call from Sara Kubitschek, Juscelino's widow, warning him that he would face "very difficult times." She reminded him that it was only after Juscelino started fighting with the creditors and repudiating the IMF that challenges to his government and military revolts began to occur, such as those at Jacareacanga and Aragarças.

There are quite a few in PMDB who, like Funaro, think that underlying the criticism there is concealed the manipulating hand of the interests of the foreign debt creditors. "If the suspension of payments on the debt interest had not originated with the finance minister, it would not be under a cross-fire now," maintains PMDB's leader in the Chamber, Deputy Luis Henrique, who took the floor as well, to defend the minister's two direct advisors, whom he called "historical PMDB members." The Sao Paulo PMDB deputy, Caio Pompeu de Toledo, disclosed: "There is actually an effort on the part of a group of persons headed by Dr Ulysses aimed at uniting the party, so as to give total support to Minister Funaro and his advisors, in view of the observation that, without them, it would be worse."

'Dignity'

The possibility that Sarney might name for Funaro's post (concerning which the issue of cabinet reform is currently gravitating) someone not closely identified with the PMDB ideology frightens the party more than the lack of a practicable plan for running the country's economy. Deputy Euclides Scalco, of the Parana PMDB, points out: "PMDB has the obligation and should have the dignity to back Funaro, because his policy is that of the party." "It is extremely difficult to change the finance team at present, when there is a discussion of the foreign debt issue and a search for internal adjustment of the economy," adds the PMDB leader in the Senate, Fernando Henrique Cardoso, who, until a few weeks ago, was not sparing Funaro's team, particularly his special advisor, Joao Manuel, whom he accused of being a "Mafia-type politician, because he only engages in intrigue."

In fact, such statements have not impressed Sarney's closest counselors, who are convinced that sectors of PMDB itself will attempt to deflate Funaro and his advisors (who, according to those analyses, would only be supported by the group of congressmen close to Ulysses). Contrary to the fear on the part of PMDB that the Brazilian negotiators cannot be weak toward the creditors, Sarney's consultants think that Funaro and company have already lost all credibility in the country and outside of it, and maintaining them would only complicate the president's political survival.

It was for this reason that Persio Arida and Andre Lara Resende, the two economists who expended the most effort to launch the Cruzado Plan and later left the government because they disagreed with Funaro's orientation, were reportedly invited by Jorge Murad to submit to Sarney their ideas for a plan to put the economy on a sound footing, which would proceed apart from the Finance Ministry's group. That plan was even christened by friends as "Larida," from "Lara" combined with "Arida." Now the foes, changing the order of the syllables, are calling it "Arara." Both, always accompanied by Murad's informal advisor, Miguel Ethel Sobrinho, and the president of the Central Bank, Francisco Gros, met again on two other occasions; the latest on 21 March, in Sao Paulo. Belluzzo and the secretary of the treasury, Andrea Calabi, took part in one of those meetings.

Last Tuesday, when the meetings of this group became known, Funaro confirmed the fact that Arida and Resende were devising a plan outside of his ministry, but with his knowledge. Funaro said: "I sent Gros to all the meetings. The two groups have always met together." At Planalto, a different version is circulating, to the effect that Funaro only knew that the president had talked with Arida and Resende, but was unaware of the assignment of a plan to the two economists. He reportedly did not discover it until last Monday, when he asked Murad and received the confirmation. "He didn't seem to be annoyed," revealed a top-ranking Sarney counselor. "He told Murad that, at present, any cooperation would be well received."

Game of Intrigue

The calm manner in which Funaro received the news was interpreted by one consultant close to the president as evidence that the minister already realizes that he must rid himself of his two immediate advisors. It is a game of intrigue which, when transferred to the newspaper headlines, has started to disturb the economists invited by Sarney to submit suggestions for an economic policy. In talks with friends, for example, Arida has said that he suggested to Sarney only "things making good sense, nothing spectacular, such as the need for austerity, deregulation of the economy, resumption of investments, and such things."

Arida disclosed to an individual with whom he spoke: "If they want to call it a plan, let them call it that, but none of this goes beyond a page of suggestions." What annoyed him most was seeing the finance minister on television claiming that he, Arida, was a member of a group devising a plan, with his knowledge. "I am not making any plan, because I just submitted some ideas," argued the economist, talking with a friend. In fact, the confusion is total, because, while Planalto claims that there is a plan being devised outside of the government, and Funaro admits its existence, although his advisors in the Finance Ministry are unaware of anything, the one who is supposedly one of his chief mentors, Persio Arida, says that he is not making any plan. Such gibberish only reflects the confusion in which the government is embroiled in its management of the economy.

Added to this discord is the babbling of those who want to see Funaro and his team out of the government (including PMDB member Roberto Cardoso Alves, who

thinks that "the country needs more competent people in the Finance Ministry." The most persistent of all the critics, however, is PDS [Social Democratic Party] leader Amaral Netto who, involved in a personal battle against the finance minister, has taken the floor every day to accuse him of using his position to benefit his own businesses.

Since last year, Amaral has claimed that Trol, a toy industry controlled by the finance minister and currently directed by one of his sons and a partner, benefited from SUDAM [Superintendency for Developing the Amazon Region], by contracting an investment for its branch in Amazonas. Now, he has started accusing him, as minister, of prompting state banks to finance Trol's purchase of a factory which was insolvent, Herring Toys. The PDS leader has kept his promise to wait for the finance minister with a bull-horn on the day when he has to go to Congress, in order to make Funaro hear his charges.

Last Monday, in one of its proclamations, the Chamber board went so far as to censure some of his statements in the stenographic records, such as the one in which he called Funaro a "coward." In the same statement, he accused Professor Joao Manuel of being a "centaur and a body-guard." That accusation seems to summarize the fusillade against Funaro's direct advisors, because calling a man who is 1.90 meters tall and weighs 100 kilos a "centaur and a body-guard" could not reflect anything but a desire to insult.

2909

CSO: 3342/101

SNI CONCERNED OVER STRENGTHENING OF LABOR UNION MOVEMENT

Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Mar 87 p A-23

[Text] Gen Ivan de Souza Mendes, minister-chief of the National Intelligence Service [SNI], submitted a confidential report to President Jose Sarney containing information described as "alarming": The labor confederations (CUT [Sole Central Organization of Workers], CGT [General Confederation of Workers], and USI [Independent Trade Union]), taking advantage of the economic crisis, are overcoming their "ideological differences" so as to act jointly. As a result, in 1986, the labor movement launched what SNI terms a "strike idiom." According to the report, to which FOLHA has had exclusive access, business owners and the government have been invariably "subjugated" by the labor movement.

In his report, Gen Ivan Mendes cites the following figures: In 1985, there were 1,289 strikes in the country; according to SNI's assessment, the statistic is "shocking." More "surprising" were the 2,282 strikes recorded by the government's informational organs in 1986. The document also notes that the work stoppages banned by law have increased in the sectors considered "essential" and in the public sector.

Planalto Palace has drawn one conclusion based on the content of the SNI report: The government must do something to curb the progress of the labor movement. According to that conclusion, strikes harm the entire economy and, now in particular, they are upsetting the renegotiation of the foreign debt. For example, President Sarney was informed that the embassies of the developed countries and representatives of the creditor banks established in Brazil periodically send their countries reports on the strikes by maritime and oil workers.

The SNI document, with restricted circulation, divides the evolution of the labor movement in Brazil into two phases: before and after the Cruzado Plan. It notes that, during both periods, the most aggressive labor confederation, which even makes use of "violence," is CUT. The other two (CGT and USI) are attempting, at all costs, to recover space, in "localized disputes" based on factories and job categories.

SNI cites two instances, which occurred last year, in which CUT used "violent means" in strike movements: the deaths of two persons (a female domestic employee and a fast-food employee) during a strike by cane workers in Leme, a municipality in the interior section of Sao Paulo; and the so-called "Operation Trick," a strike in which the Sao Paulo metal workers reportedly damaged cars on the assembly line in large companies.

According to the text prepared by SNI, at the beginning of 1986 there was a "favorable" atmosphere for the trade unionists' activity. "The serious economic crisis and the elections for the Constituent Assembly" facilitated an expansion of the unions' "types of struggle," and, according to SNI, they started demanding the following: quarterly readjustments, real wage hikes, price freezes, and stoppage of payment on the foreign debt.

With the announcement of the Cruzado Plan, on 28 February of last year, there came the "freeze on prices and wages," SNI goes on to say in its report, admitting for the first time in an official document that the government halted not only the increase in products, but wage increases as well. During this phase, there was a great popular mobilization, and the base of the government's support was expanded. The labor movement was "temporarily disbanded." Also according to SNI, the demands of the labor leaders began to be "a moving scale of 5 percent and correction of wages based on the cumulative inflation up to 28 February."

It was after the government launched Cruzado 2 in November 1986 that the labor confederations started acting jointly, as SNI concludes. "A feeling of frustration came over the country," claims the confidential document. The "big brawl," as the street riots with looting which occurred in Brasilia on 27 November of last year were called, is described by the organ as an "unprecedented conflict." In addition to this report, Ivan Mendes submitted another to Sarney, containing a prediction of all the strikes scheduled to take place in Brazil up until the end of 1987.

2909

CS0: 3342/102

CUT SUPPORTS ADOPTION OF CONVENTION 87; CGT, USI OPPOSED

Labor Leaders Explain Positions

Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Mar 87 p A-23

[Text] The indiscriminate emergence of labor unions based on varied criteria (ranging from occupational specialities to partisan political interests, and including territorial benefits and management influences), could be one of the results of the potential ratification by the Brazilian Government of the International Labor Organization's (ILO) Convention 87. While the Sole Central Organization of Workers (CUT) discerns prospects for the establishment of an authentic trade union structure in the country, the General Confederation of Workers (CGT) and the Independent Trade Union (USI) fear the weakening of the labor movement and conclude that this is precisely the government's intention in calling for hasty treatment of the plan to ratify the Convention in the Senate.

The CGT president, Joaquim dos Santos Andrade, aged 60, claims: "The government wants to divide in order to conquer." In his view, the government's effort to ratify Convention 87 is at odds with the initiative to militarily occupy ports and refineries "in order to inhibit movements for demands."

In the Independent Trade Union (USI), its president, Antonio Pereira Magaldi, aged 70, agrees with Joaquim. "They want to divide the labor movement." He thinks that "between 80 and 90 percent of the unions will be unable to survive without the union tax," the termination of which is implicit in the ratification of Convention 87.

The president of the Santo Andre Metalworkers Union and member of CUT's national board of directors, Miguel Rupp, aged 36, thinks that the government is acting with ulterior motives; but he reaffirms his position favoring trade union freedom and autonomy, with the abolishment of the union tax, "which was always used to support a Mafia of union leaders holed up in the federations and confederations."

A defender of trade union single status, Joaquim claims that one of the risks of Convention 87 would be the advent of unions based on companies, which would be "docile and modest, real union bosses financed and managed by the employers

themselves." But Rupp thinks that "it is up to the trade union leadership and to the workers as a whole to have the ability to organize into single unions."

Despite Joaquim's reservations, CGT itself anticipates positive results from Convention 87, including the strengthening of the labor confederations as a reference point for the workers in their movements for demands. According to Tarcisio Tadeu Garcia Pereira, a CGT advisor, another result will be the appreciation of the workers' negotiations on a professional basis, without the evils fostered by the current legislation.

Magaldi claims that USI will not cease to combat Convention 87 and, even if it is approved by the Senate, the entity "will pressure President Sarney not to approve the plan."

Vote On Convention Postponed

Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Mar 87 p A-23

[Text] The government intends, over a period of 90 days and with the participation of the representatives of labor and management, to prepare new trade union legislation for the country, based on the principles of trade union freedom and autonomy stipulated in the International Labor Organization's Convention 87. The idea is, during that period, to formulate a new labor union law, so that only then would the Federal Senate approve Convention 87, against which both trade unionists and business owners have expressed strong opposition.

"We need a more modern instrument, compatible with a democratic government such as ours," claims Senator Jose Richa (PMDB [Brazilian Democratic Movement Party]-Parana, the reporter of the draft legislative decree establishing Convention 87, the key target of pressure from employers and workers. Richa called for 1600 hours today a meeting with the heads of the national confederations of workers and employers, leaders of labor confederations, and party leaders, in the Senate, to discuss his proposal to create a tripartite commission to revamp the current legislation.

According to Richa, this is the best alternative found by the government to satisfy capital and labor. After all, he notes, since last week, the submission of an opinion favoring approval of the Convention which, in principle, would be voted on at the special Senate session this morning, has been discouraged.

Richa claims that two main arguments were used by the opponents of the Convention: the loss of the union tax contribution and the possibility of the establishment of trade union pluralism in the country (the formation of more than one union to represent the same job category). The senator declined to state his position on these issues, but thinks that a consensus will be possible on a proposal by 18 June. He claims: "If we fail to prepare a bill, then Convention 87 will be on the agenda, and will be assessed by the Senate."

The president of the National Confederation of Industry (CNI), Albano Franco, accompanied by the heads of the Federations of Industries of Sao Paulo, Minas, and Rio, requested of President Jose Sarney yesterday a longer period of time to study Convention 87. "We need some time to discuss it with our unions, to take suggestions, and to analyze the matter," declared Albano Franco, who heard from the president that the government would give employers a 90-day period to submit their suggestions.

According to the head of FIERJ [Federation of Industries of the State of Rio de Janeiro], Artur Donato, the employers are not opposed to the separation of the state's unions, but they think that the Convention should be better discussed before its approval.

2909

CS0: 3342/102

PAZZIANOTTO DISCUSSES ILO CONFERENCE, INTERVENTION IN STRIKES

Rio de Janeiro O GLOBO in Portuguese 29 Mar 87 p 46

[Interview with Labor Minister Almir Pazzianotto by Luis Lanzetta; date and location unspecified]

[Text] Brasilia--The labor minister, Almir Pazzianotto, believes in the correction of the government's economic policy. He claims: "The first results are already appearing, while the government has now adopted measures in the National Monetary Council to stimulate demand a little more."

The minister asked that the workers be careful, reminding them that the moratorium has been a long-standing aspiration of the labor movement. In this interview with O GLOBO, Pazzianotto reported that he wants to debate the foreign debt issue in the International Labor Organization (ILO), and maintained that understanding could prove more efficient than strikes.

O GLOBO: Don't you fear that another program to readjust the economy, demanding more sacrifices of the workers, would make the relations between the government and the labor movement more strained?

Pazzianotto: The country has a real situation which often does not coincide with what is said. Quite frequently, the statements have nothing in common with our real situation. The plans are often not in keeping with the real situation. When you talk about adjustments in the economy, if there is a national necessity for the adjustments to be made, general adjustments, I don't think that the working class can remain on the sidelines. The mistake existed when the adjustments were made exclusively at the workers' expense: on the one hand, with the business sector growing, developing, and earning a great deal of money; and, on the other hand, with the wage squeeze. This never existed with the New Republic; it was even the opposite, because the government froze prices and the wage negotiations were maintained. This is a study that has not yet been carefully made. I admit that the business sector attempted to evade the freeze, by engaging in practices which, to use an innocuous expression here, were clandestine: usury, withholding of commodities, a certain amount of lockout, and the production of selected items, which obviously caused very serious social upsets. If an adjustment were necessary, and if the government proposed an economic adjustment program, it is possible that this might occur.

[Question] Is there a good atmosphere for a talk between President Sarney and the workers?

Pazzianotto: There has never been any estrangement on the part of the president from the workers. Obviously, there must be recognition of the period that the country is undergoing. When the country adopts a measure, as it has with respect to the foreign creditors, there must be a large amount of internal solidarity. I myself recall having asked trade union leaders here on more than one occasion, when they were demanding of me a written order for a moratorium, whether they would be in solidarity with the government if, with the moratorium order, the need for internal sacrifices were to arise. And what I heard, if I may say so, was a deep silence. For example, this strike by the maritime workers, and I don't mean by this to deny the difficult situation of many of them, is a strike that has caused the country serious harm, concretely.

[Question] Why is the Labor Ministry aloof from this government intervention?

Pazzianotto: It has been aloof from the negotiation process because it was not requested to engage in any mediation. The negotiations (if there were any) ended just before Carnival.

[Question] Didn't the Armed Forces' intervention in the incidents involving the maritime and port workers give business owners even more of an incentive to expect a more repressive attitude on the part of the government?

Pazzianotto: The government took no action against the workers. This intervention, which none of us would have wished to occur, was not against the negotiations; so much so that the negotiations continued. I am convinced that they were held for the purpose of preserving the facilities, only for this reason. It can be readily perceived. PETROBRAS [Brazilian Petroleum Corporation] continued negotiating.

[Question] Still in connection with the foreign debt and the workers, does the government think that it could discuss this problem in an international forum, such as ILO, for example?

Pazzianotto: There is already a resolution approved by ILO, involving a plan of the Venezuelan Government, with Brazilian backing. The conference is in the preparatory phase. There will be a preliminary meeting in April, and Brazil and Venezuela will represent the America group.

[Question] What does the departure of Minister Sayad mean to you? Is there an obvious change in policy in the area?

Pazzianotto: I cannot assess the consequences yet, because I don't yet know who his successor will be, what policy he will make, or what policy he will prepare. In any event, I have lost a great companion in the government; a person with whom I got along well even on the occasions when we differed. We have differences regarding the issue of the trigger.

[Question] Speaking of a trigger, what is your assessment of the third shot? Those who disagreed in February consider it insufficient and, in the view of business owners, the shots feed inflation.

Pazzianotto: The evaluations must be made over a more extensive period; but there are some first evaluations to the effect that it has not restored all the losses. If this is true, it cannot be regarded as refeeding the inflationary process. At any rate, it is a daring mechanism for wage readjustment; corresponding to what the workers have been requesting for a long time.

[Question] You have in front of you a statistical chart of the strikes. What result does it show?

Pazzianotto: In 1985, there were 1,289 strikes; and, in 1986, 2,282: a difference of 1,000. There were 420 strikes in 1984, 165 in 1983, and 151 in 1982. If we compare them objectively, between 1982 and 1986 alone, the free atmosphere changed, because, from an economic standpoint, 1986 was a far more favorable year than 1982, and incomparably more favorable than 1983, which was a year of recession. The impression that these statistics give is that the strike phenomenon is not a direct result of the economic difficulty

2909

CSO: 3342/94

DATAFOLHA POLL EVALUATES PERFORMANCE OF BRIZOLA, GARCIA, OTHERS

Governors' Poll Results Cited

Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Mar 87 p A-13

[Text] A survey made by DataFolha on 10 and 11 March indicates that the former Rio governor, Leonel Brizola, had recovered his standing among the Rio public at the end of his term. The relative majority (43 percent) would vote for Brizola now for the state government; 64 percent of those interviewed considered his administration superior to that of Chagas Freitas; and 35 percent (a relative majority) thought that Moreira Franco would have a worse performance than Brizola's.

The Public Education Integrated Centers (CIEPS) were considered Brizola's main accomplishment by 75 percent of the 600 persons interviewed, selected according to geographical zones, the region's socioeconomic level, sex, and age. Brizola received an average rating of 0.6 exceeding that recorded a year ago (5.0). In 1985, 10 percent of Rio residents thought that Brizola's administration exceeded the initial expectations; a rate which increased to 34 percent in 1987.

The highest average rating received by Brizola (8.4) was found among Rio residents with a partisan preference for PDT [Democratic Workers Party]. The PDT members gave him an average of 6.3, and the PMDB members, 4.7. Among the nearly half of the population without a partisan preference, Brizola received a rating of 5.9.

Security was cited by 34 percent of those interviewed as the main problem to be dealt with by the present governor. Only 27 percent expect from the current governor, Moreira Franco, a better government than that of Brizola; and 29 percent of Rio residents think that he will have an optimal or good government.

The scientific plan used by Survey FOLHA is the work of Reginaldo Prandi, an instructor in the Social Sciences Department of the University of Sao Paulo. The formulation of the topics and interpretation of the results were the responsibility of the editorial staff. The survey was carried out by DataFolha, under the direction of sociologist Antonio Manuel Teixeira Mendes, and Gustavo Venturi aided in the planning and analysis.

Sao Paulo residents give Franco Montoro's government an average rating of 5.3, and consider his administration better than that of Paulo Maluf, in a survey made by DataFolha on 10 and 11 March, and published in last Saturday's edition. The residents of Belo Horizonte (Minas Gerais), Curitiba (Parana), Porto Alegre (Rio Grande do Sul), Salvador (Bahia), Recife (Pernambuco), and Brasilia expect a good administration from the present governors of their states, according to a survey published on Sunday.

Of the Sao Paulo residents, 25 percent could not cite any accomplishment of Franco Montoro's government, and 17 percent give assurance there there will be none. Sixty percent of those interviewed would not vote for Montoro today, considering the 4 years of his government. With regard to Orestes Quercia, the relative majority of Sao Paulo residents (43 percent) expect a performance similar to that of Franco Montoro.

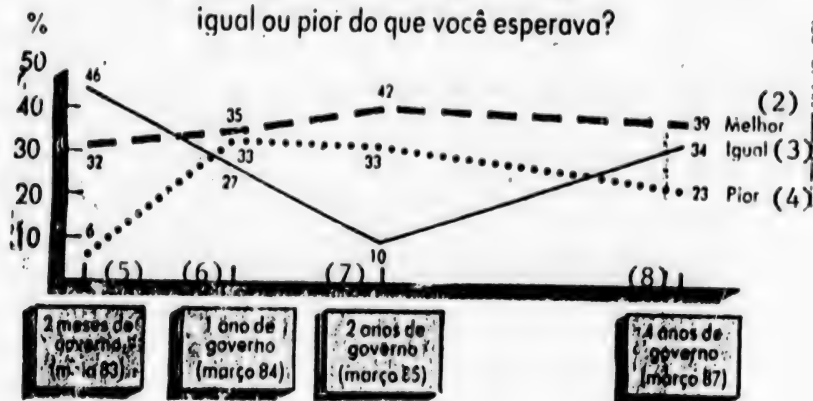
The ratings for the assessment of Montoro's performance published on Saturday shows that the former governor turned over to Orestes Quercia a state with a virtually zero deficit (0.5 percent), and balanced finances. Between 1982 and 1986, infant mortality declined 24.80 percent in the state, thanks to the basic health structure (water and drainage system), and to the system for treatment, through health centers. During the Montoro government, there was a 225.15 percent rise in the compulsory reports of measles (cases requiring hospital confinement), and a 50 percent increase in those of school absence, in the first and second grades.

Average Improvement

Helio Garcia's (PMDB-Minas Gerasi) administration received the best average rating (6.6). The governments of Jair Soares (PFL [Liberal Front Party]-Rio Grande do Sul), Joao Durval (PDS [Social Democratic Party]-Bahia), and Jose Aparecido (PMDB-Federal District) received negative average ratings. Soares received 4.8; Durval, 2.8; and Aparecido, 3.5.

Those interviewed, selected by geographical zone, socioeconomic level of the region, sex, and age, cited different problems to be prioritized in each state. In Belo Horizonte, the issue of abandoned children was stressed (40 percent); in Recife, unemployment (31 percent); in Salvador, the cost of living and low wages (21 percent); in Porto Alegre, education (15 percent); and in Curitiba, the issue of the rural area, and the cost of living and low wages (both with 12 percent).

(1) O governo Brizola foi melhor, igual ou pior do que você esperava?

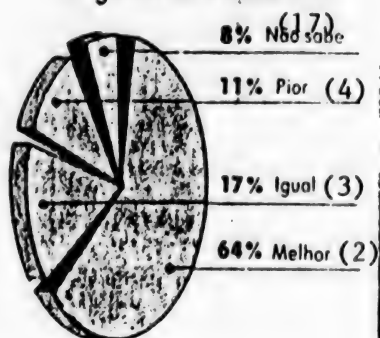


(9) NOTA MÉDIA DADA PELOS CARIOCAS A BRIZOLA

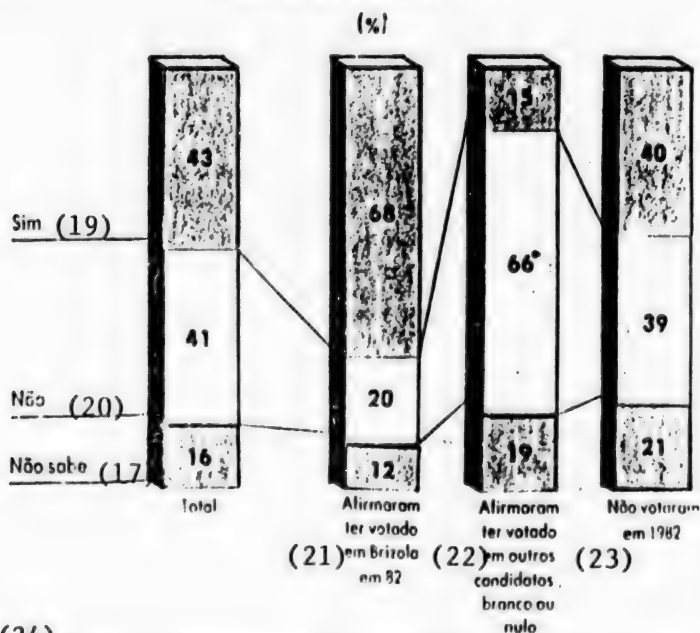
(10) De zero a dez, que nota você dá para o governo Brizola?

Partido de preferência (11)						(14)
PDT	PMDB	P	(12) Outros	(13) Não tem	Média geral	
8,4	4,7	6,3	4,5	6,9	6,0	
Nº de entrevistas (15)						
115	112	45	47	277	590	

(16) Em relação ao governo Chagas Freitas, o governo Brizola foi:



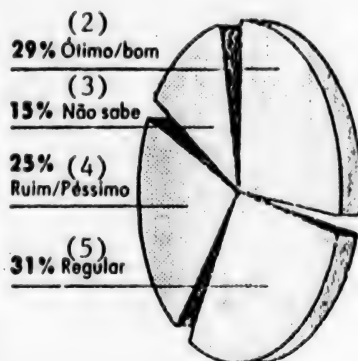
(18) Levando em conta os quatro anos do governo Brizola, você votaria nele hoje?



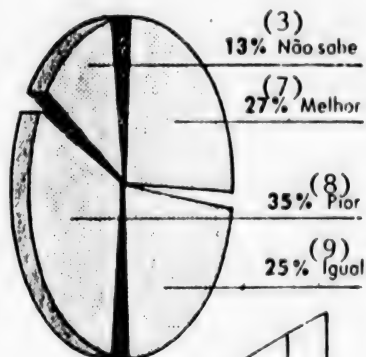
(24)

Fonte: Ibope/Unia

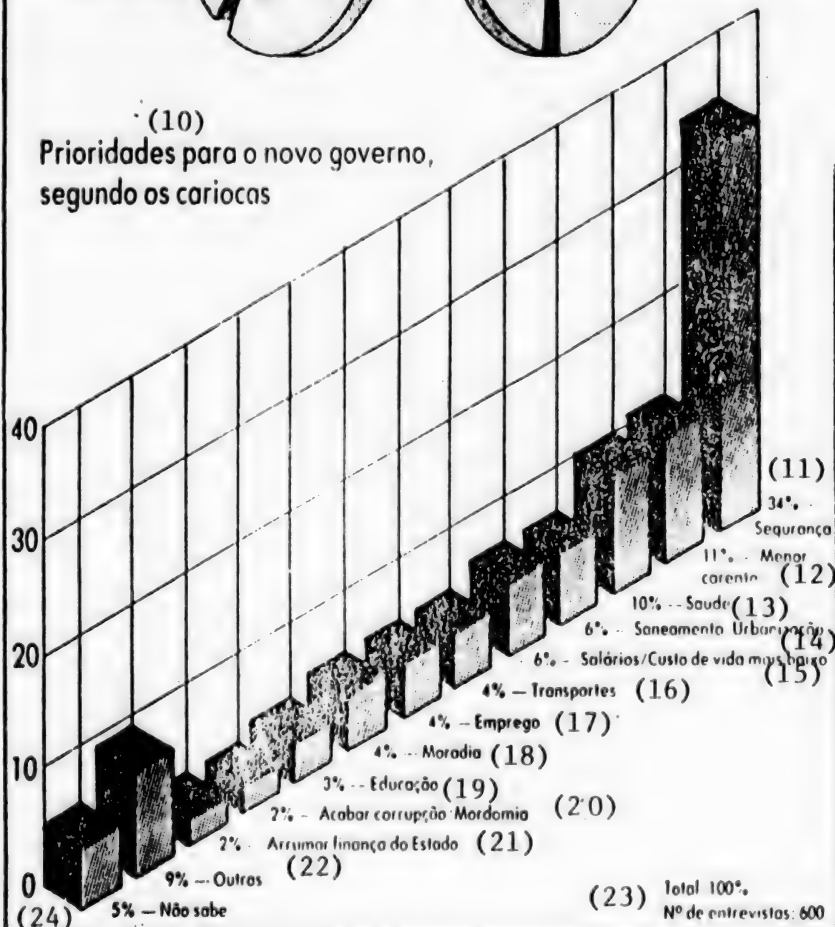
(1)
Moreira fará um governo:



(6)
Em relação ao governo Brizola,
o governo de Moreira será:



(10)
Prioridades para o novo governo,
segundo os cariocas



Fonte: Datafolha

Key to Graph 1:

1. Was the Brizola government better than, the same as, or worse than you expected?
2. Better
3. The same
4. Worse
5. 2 months of government (May 83)
6. 1 year of government (March 84)
7. 2 years of government (March 85)
8. 4 years of government (March 87)
9. Average rating given to Brizola by Rio residents
10. From 0 to 10, what rating do you give to the Brizola government?
11. Party of preference
12. Others
13. Have none
14. General average
15. No. interviewed
16. Compared with the Chagas Freitas government, the Brizola government was:
17. Don't know
18. Considering the 4 years of the Brizola government, would you vote for him now?
19. Yes
20. No
21. Claimed to have voted for Brizola in 82
22. Claimed to have voted for other candidates, or with blank or null ballots
23. Did not vote in 1982
24. Source: DataFolha

Key to Graph 2:

- | | |
|--|-----------------------------------|
| 1. Moreira will have a government that is: | 17. Employment |
| 2. Optimal/good | 18. Housing |
| 3. Don't know | 19. Education |
| 4. Bad/very bad | 20. End to corruption/stewardship |
| 5. Fair | 21. Clear up state finances |
| 6. Compared with the Brizola government, the Moreira government will be: | 22. Others |
| 7. Better | 23. No. interviewed |
| 8. Worse | 24. Source: DataFolha |
| 9. The same | |
| 10. Priorities for the new government, according to Rio residents | |
| 11. Security | |
| 12. Needy children | |
| 13. Health | |
| 14. Sanitation/urban development | |
| 15. Wages/lower cost of living | |
| 16. Transportation | |

Brizola Criticized, Defended

Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Mar 87 p A-10

[Text] The minister of welfare and social security, Raphael de Almeida Magalhaes, declared in Brasilia that the judgment made of Leonel Brizola's government in Rio "is not favorable." He claimed that the former governor had concentrated his entire government plan on school construction, and "left the rest yet to be done." Magalhaes said that former Governor Franco Montoro made a "more modest" effort for education, and had better results, providing for nearly 3,000 children; whereas Brizola's plan affected slightly over 100,000 children. He remarked: "The impression that he left was one of deep boredom with governing the state."

The mayor of Rio, Saturnino Braga (PDT), aged 54, said that the results of the DataFolha poll on the performance of Governor Leonel Brizola (published yesterday by FOLHA) reveal that "the population knew enough to condemn the restrictions to which the Brizola government was subjected during its 4 years." The survey discloses that the relative majority of the population (43 percent) would vote for Brizola for the state government today. According to Saturnino, the population "recognized that Brizola kept his fundamental commitments to prioritize the social area."

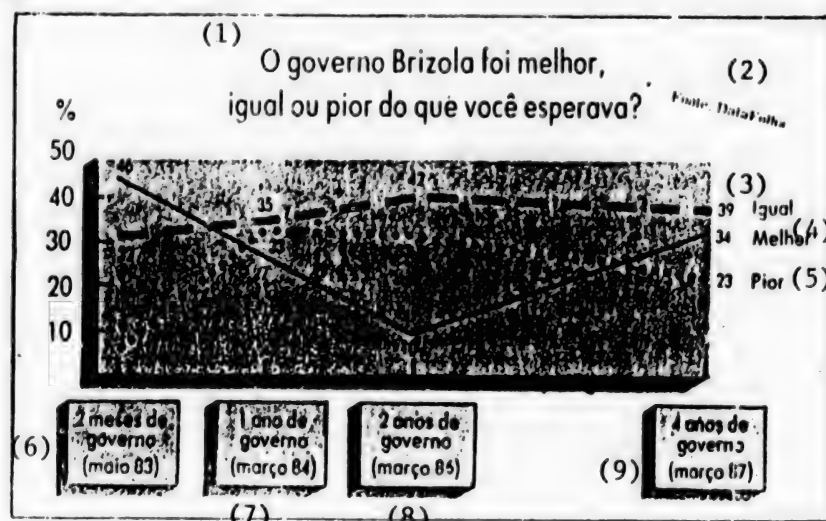
The chairman of the PCB [Brazilian Communist Party] regional board, Hercules Correa, aged 57, claimed that the poll "does not correspond to the results at the polls." To prove this, according to the Communist leader, "one need only compare the vote received by Moreira Franco with that of Darcy Ribeiro (PDT)." Moreira, the victorious candidate for governor, won 44.48 percent of the votes, compared with 32.33 percent given to Darcy.

The former health secretary in the Brizola government, Eduardo Costa, 45, maintained that the poll "shows that the campaign to demoralize the Brizola government lies with the middle class stratum, and has no repercussions among the working-class groups." According to Costa, the Central Bank's intervention in BANERJ (Rio de Janeiro State Bank) "created a new impetus for sympathy toward Brizola and his government."

The mayor of Rio, Saturnino Braga (PDT), aged 54, blamed the 23.66 percent increase in the Rio de Janeiro budget deficit during the administration of former Governor Leonel Brizola (PDT) on "the federal government's financial restrictions."

In commenting on the performance rating of the Brizola government, published yesterday by FOLHA, Saturnino stressed the 35.60 percent drop in the state's infant mortality rate, and the increase in water systems (20.18 percent) and drainage systems (9.99 percent). The Rio governor, Wellington Moreira Franco (PMDB), aged 42, claimed that he would not be in a position to comment until today.

the rating, such as the 45 percent decline in the number of deaths from diarrhea between 1982 and 1985.



Key to Graph 3:

1. Was the Brizola government better than, the same as, or worse than you expected
2. Source: DataFolha
3. The same
4. Better
5. Worse
6. 2 months of government (May 83)
7. 1 year of government (March 84)
8. 2 years of government (March 86)
9. 4 years of government (March 87)

We Were Mistaken

We are reprinting today the foregoing graph on the Leonel Brizola government in the state of Rio which, in yesterday's edition (page A-13) appeared with a reversal of the numbers relating to the items "better" and "the same." The correct figures are 39 for the item "the same" and 34 for "better."

2909

CSO: 3342/102

SECURITY OF PRIMARY CONCERN TO POLLED RIO RESIDENTS

Rio de Janeiro O GLOBO in Portuguese 30 Mar 87 p 3

[Text] What measures should Governor Moreira Franco adopt to put an end to urban violence? A poll taken in 26 of the state's municipalities, including the capital, by the Giovanni Advertising Associates, suggests, on the state level, an immediate increase in the police personnel on the streets (28.6 percent); the institution of the death penalty (14.6 percent); better police equipment (10 percent); humanization of the police, making them less violent and more honest (9.1 percent); better training for the police (8.9 percent); and improved salaries (8.3 percent).

Of those interviewed, 74.6 percent expect some improvement with the Moreira Franco government. Among the individuals in that group, 37.1 percent want him to improve security, 23.2 percent request public works in general; 21.7 percent expect a battle against the high cost of living; 20.2 percent want him to continue Leonel Brizola's endeavor; 20 percent ask him to direct his attention toward the needy; and 18.5 percent want him to keep his campaign promises.

The floods, frequent during the summer months, are feared by 9.7 percent of the state's population. To solve that problem, those interviewed suggest the constant cleaning of drains and culverts. Other measures show up among the proposals made: collective community work to clean culverts and drains, and to engage in dredging; and the promotion of drives to make the population aware that the streets must be kept clean.

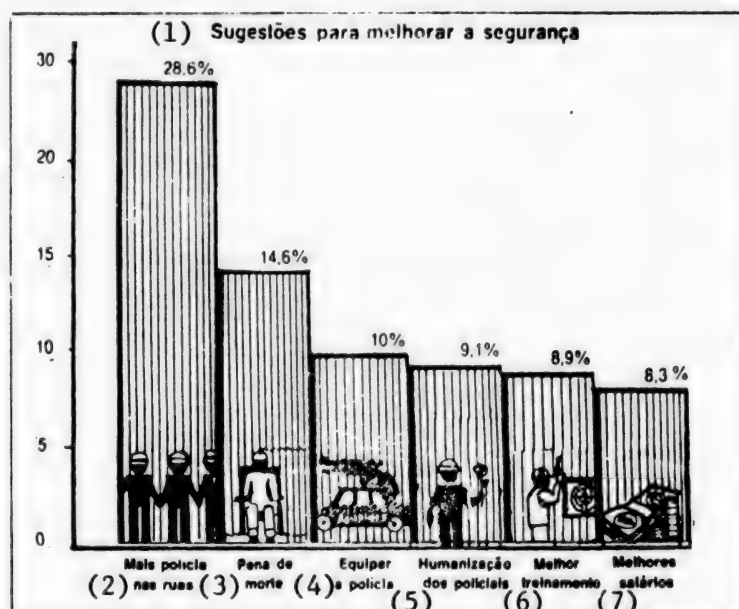
Troubled by the blunders of the Cruzado Plan, the residents of the state of Rio, according to the poll, want prices decontrolled. This was the solution cited by 22.9 percent of those interviewed for the supply problem. Ranking second, according to 14.3 percent of the opinions, is the proposal that the government assume responsibility and guarantee the supply. Five percent of the people want inspection of goods at the entrance and exit of the establishments; and 5 percent suggest an end to the Cruzado Plan.

Considered the second greatest problem of the state (the first is security, according to 52.2 percent of the persons queried), the lack of social assistance (15.3 percent) should be resolved as follows: 25.8 percent call for the construction of day-care centers; 18.7 percent demand the creation of more

jobs; 16.7 percent suggest the construction of shelters for abandoned children; and 15.2 percent want the creation of boarding schools and occupational training courses.

According to the poll, the health-related problems, a concern of 15.3 percent of the state's population, should be solved with an increase in the number of personnel in hospitals and health stations (29.8 percent); with better hospital equipment (29.8 percent); with hospital construction (25.5 percent); with greater control over the selection of professionals (17 percent); and through the construction of health stations (14.9 percent)

The shortcomings in urban transportation, a problem for 13.8 percent of those interviewed, should be overcome with a larger number of vehicles and an incentive for free competition among companies to implement new lines. According to the poll, the lack of employment, cited by 12.6 percent of those queried as a major problem, should be combatted with the opening of new industries (30 percent); wage increases (22.4 percent); the provision of land and tax exemption for businessmen desiring to open industries (7.5 percent); the creation of an employment board (4.7 percent); and an incentive to agriculture (3.7 percent).



Key to Chart:

1. Suggestions to improve security
2. More police on the streets
3. Death penalty
4. Equip police
5. Humanize police
6. Better training
7. Better salaries

2909

CSO: 3442/94

ARENA CLAIMS ITS POLICIES REPRESENT POPULAR SENTIMENT

San Salvador LA PRENSA GRAFICA in Spanish 17 Mar 87 p 3, 19

[Text] "The political analysis and the opposition planned and executed by the Nationalist Republican Alliance (ARENA) in relation to the government are based on the feelings of the Salvadoran people."

The analysis, says Dr Armando Calderon Sol, is based on Duarte's erroneous policy, which El Salvador should know so that it can be aware of the role it is playing as a result of inflation, unemployment, the high cost of living, and the erosion of wages. These factors are further aggravating the country's social problems.

"Our opposition is based, moreover, on the fact that Duarte is not correcting this situation, and on the national reality which we have assessed by means of technical consultations and surveys that serve to enrich our political analysis.

"The above has led us to the conclusion that the Duarte government is at its lowest level of popularity.

"We want Duarte to find a real and final objective to pursue in order to rescue our homeland from the crisis it faces; we are seeking this through our opinions and our actions in the Assembly.

"But he does not understand the situation, or the role he is called upon to play as president of the Salvadorans, not the Christian Democrats. This is our struggle as the opposition.

"Our opposition is that of the men of ARENA. We love democracy, and therefore we are obliged to denounce this situation and to inform and explain to the Salvadoran people that we must not give in or allow ourselves to be manipulated. We must be clear in our declarations as the opposition party."

Criticism

"The government should be criticized and opposed, and proposals should be made, as ARENA has done with respect to President Duarte.

"These should be serious proposals, like the ones the private sector and others have put forth publicly. They are serious, viable, and respectful proposals.

"We must form an opposition by presenting arguments with intellectual and scientific value that do not allow for demagoguery, and this is what we have done.

"But Duarte does not pay any attention to the opposition of the political parties, or to the different voices that are raised in all sectors of national life.

"For this reason, no one has been able to set the country on the path of well-being, which is what we and all Salvadorans want."

Proposals

"Serious proposals, backed by reason and scientific and technical evidence, must be put forth. They must be worthy proposals that respect the government, like the ones ARENA has been advocating.

"In the Assembly we have made hard proposals, based on a strong ideological position and strong arguments, but we have maintained respect for the debate; that is as it should be. We politicians are obligated to maintain this position; it is our obligation and responsibility, because otherwise passions could get out of hand and that would not do the country any good.

"The democratic struggle implies firmness; it must be head-on, face-to-face, but it must also be respectful. Pejorative language should not be used with respect to the adversary. That is democracy," he concluded.

8926

CSO: 3248/286

ARENA STATES DUARTE SUFFERS 'EMOTIONAL INSTABILITY'

San Salvador EL DIARIO DE HOY in Spanish 21 Mar 87 p 5, 52

[Text] It appears that Jose Napoleon Duarte is suffering from another serious and acute "emotional disturbance," as manifested in his recent contradictory, peculiar, and rash accusations, says the Nationalist Republican Alliance (ARENA) about the verbal attacks against leaders of free enterprise by the Christian Democratic Leader.

This is extremely delicate and dangerous for the country's future, because in this precarious psychological condition, a leader cannot efficiently, responsibly, and calmly manage the affairs of state, adds ARENA.

President Duarte has undermined the dignity of the office by levying accusations against a citizen who has had a clean and irreproachable political record for over 40 years, Dr Jose Antonio Rodriguez Porth. Dr Rodriguez Porth is the victim of political revenge simply because he prevented President Duarte from violating the Constitution once again by levying an illegal war tax.

President Duarte's accusations against Gen Augusto Pinochet, president of Chile, claiming that he has placed his country in a state of "hunger, oppression, and injustice," are also bizarre. Duarte has thus shown that he has forgotten that when he was president of the de facto junta, he decorated President Pinochet with the most prestigious award, the Jose Matias Delgado Order, for being a democratic and humanitarian leader, recalls ARENA.

This confirms that that American university was right when it awarded Duarte the "Ambiguity Prize" for being one of the most demagogic and unstable leaders in Latin America.

These clear contradictions in President Duarte's political conduct are extremely distressing, in that no one can be sure what course the country will take, in terms of both domestic and foreign policy, because of the constant "emotional disturbances" that jeopardize El Salvador's security and stability, concludes ARENA.

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CSO: 3248/288

CALDERON ADMONISHES DUARTE FOR DEROGATORY REMARKS

San Salvador EL DIARIO DE HOY in Spanish 23 Mar 87 p 10

[Text] The immunity he enjoys as president of the republic does not exempt Duarte from being tried in the country's courts for defaming the former foreign minister, renowned jurist Dr Antonio Rodriguez Porth, said Armando Calderon Sol, the attorney who leads the legislative opposition.

On Wednesday the 18th, President Duarte asserted in a speech opening a series of seminars sponsored by the Central American Institute of Business Administration (INCAE) that Dr Rodriguez Porth "ordered murders" from the presidential mansion when he was part of a civilian-military junta in 1961.

"The president has committed the crime of defamation, and as a result he is subject to being tried in accordance with the country's legal order. He (Duarte) is not an absolute man, as he tries to demonstrate and assert," said the deputy.

"Remember, Mr Duarte, that democracy is harsh, and the law is harsh; you must adhere to the order, and you cannot do whatever you please, nor can you offend or slander anyone just because you are president of the Republic," warned Calderon Sol.

Duarte has no right to slander or defame any citizen, much less a person of the moral and intellectual standing of Dr Jose Antonio Rodriguez Porth. Dr Rodriguez Porth dissents from the entire aberrant thinking of the Christian Democratic president and the communitarian policy he applies, which has subjected the people to misery, asserted Dr Calderon Sol.

Calderon Sol added that Dr Rodriguez Porth is a pillar of El Salvador, an intellectually and morally worthy man whose political and intellectual activities have contributed and continue to contribute much to the benefit of Salvadorans and democracy.

Duarte is exhibiting more inconsistency in his behavior, is violating the law, and is showing his disregard for the human being, he pointed out.

The ARENA politician stressed that Duarte does not behave like the president of the republic, which calls for wisdom, prudence, reflection, and diplomatic

conduct in his position as leader. The ARENA Party also asks that he not commit crimes, "because he has committed the crime of defamation against the person of Dr Rodriguez Porth."

8926

CSO: 3248/288

GOVERNMENT POLICY TOWARDS PRIVATE ENTERPRISE SCORED

San Salvador LA PRENSA GRAFICA in Spanish 13 Mar 87 p 7

[Text] No government can reasonably think that it will move steadily ahead without the participation of the productive sector. Needless to say, this is true if the government remains within the bounds of representative democracy.

The current government is a pathetic example of what we are talking about. Since the beginning, it has tried to remain divorced from the productive sectors. It has tried to chart a course for the country's economy which appears from every perspective to be a bit disoriented. It has exerted the widest variety of pressures, ranging from taxes aimed at specific sectors to the expropriation and nationalization of businesses.

As the current government has sunk deeper in the vortex of its economic policy, it has been pushing against various reactions. The government has termed these reactions "destabilizing."

Either the government is already hallucinating, or it is misinformed. It recently made public statements in which it spoke of a session of the Chamber of Commerce and Industry of El Salvador, held on the 5th of this month, at which a second work stoppage was supposedly agreed to, this time to last 3 days. And based on that assertion, it began to make more of its veiled threats.

In a full-page printed yesterday in LA PRENSA GRAFICA, the National Association of Private Enterprise (ANEP) made it clear that this session and this agreement never happened.

The distance that the current government has placed between itself and the productive sector exceeds the limits of "politics" and private interest, and affects the whole country, given its harmful economic, social, and political consequences. And it is for this reason that we are publishing this commentary. That distancing is a national problem.

In its ad, the ANEP renews its laudable position of maintaining the "search for solutions to national problems." This is an open-minded position, in contrast to the government's intransigency.

It is the government's intransigency that is aggravating the problems.

8926

CSO: 3248/286

STEINER: DUARTE PERSECUTES BUSINESS SECTOR

San Salvador EL DIARIO DE HOY in Spanish 21 Mar 87 p 5, 21

[Text] President Duarte and his cronies may have begun a period of terror among the members of their own party in order to justify a perhaps even worse persecution of Salvadoran businessmen, warned Don Victor Steiner yesterday.

Mr Steiner is the president of the influential Chamber of Commerce and Industry of El Salvador, and president of the Federation of Chambers of Commerce of the Central American Isthmus (FECAMCO). Recently he has been the subject of many virulent verbal attacks by Duarte and other members of his regime.

Mr Steiner has made these statements in response to the most recent and dangerous accusations that President Duarte made against him and Dr Jose Antonio Rodriguez Porth, executive director of the Chamber.

The Christian Democratic leader blamed Steiner for the presence of "armed guerrillas" in our country, and accused Rodriguez Porth of having ordered the murder of several people when he was a member of a civilian-military junta.

Don Victor, who was reelected president of the Chamber for a third term at the last general assembly of members, told EL DIARIO DE HOY that he usually does not think anything of Duarte's constant attacks, "especially if they come from someone like Duarte."

He added that Duarte is angry and spiteful at the productive sector because of the overwhelming success it achieved with its work stoppage on 22 January.

Mr Steiner stressed that he has always tried to ignore Duarte's attacks, but now the leader's attitude is reprehensible, since he also levied a serious accusation at Dr Rodriguez Porth, and he used impolite terms to describe the government of a friendly country, Chile.

Duarte forgets that the real originators and creators of the rancor and hatred that exist among the social classes in this country are the Christian Democrats, who have struggled to win power at all costs.

Don Victor said that in connection with this most recent statement involving him personally, he sees a coincidence with the attack on the residence of Dr Guevara Lacayo Wednesday midnight.

"It occurs to me," he said, "that in the Machiavellian minds of Duarte and his cronies there may have begun a period of terror among the members of their own party, so that they can justify worse persecution against Salvadoran businessmen."

It is obvious, he pointed out, that "within this plan, I am number one on the list."

"Duarte had better think seriously about whether this is the path El Salvador as a nation and the six million Salvadorans should take to resolve the problems we all suffer," he added.

At the same time, the business leader blamed Duarte personally for any harm that may come to him or any member of the Steiner family as a result of the many accusations by the president.

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CSO: 3248/288

GOVERNMENT INACTION BLAMED FOR PRICE INCREASES

San Salvador LA PRENSA GRAFICA in Spanish 24 Mar 87 p 7

[Text] An appreciable increase in the cost of living has already been seen in the country as a result of the impact of the "packages" and the constant rise in prices of the basic necessities consumed by the Salvadoran family.

The prices of the foods in the family basket have steadily risen, as housewives can attest after spending more and more on supplies each week. The same is true of medicines, shoes, clothing, and other items and services which are equally indispensable, even if the increase is less accelerated. The fact is, inflation is steaming full speed ahead, undermining the buying power of our currency and therefore the population's standard of living. The ones hit hardest are always the people with the lowest incomes, pensioners, and those who have no income at all, especially because they are out of work.

The causes of this increase in prices are well known; the principal one is the conflict we have been suffering for over 7 years now. In addition, the decline in production and the costs of the war, along with the destruction of public works, have wreaked havoc in our economy, which is at its lowest point in 20 years. If we add to all of this the effects of the natural disasters that have plagued the country in the past year, we have a complete picture of the crisis we face.

Against this gloomy backdrop, we have a government that has been unable to meet the challenge of the adverse situations we are confronted with. Instead of promoting national unity, cooperation, and harmony among all sectors of the nation, it is creating an atmosphere of confrontation, division, and strife in the country's industry, commerce, and banking.

In a democratic state, the government must seek harmony and cooperation for the benefit of the entire population. Blaming others for current problems is not constructive, nor does it contribute to the solution of these problems. Rather, it arouses resentment, to the detriment of social tranquility. Only unity and cooperation can save the country at this time.

8926

CSO: 3248/286

PROPOSED CUT IN CIVIL SERVICE, UNION REACTION ASSAILED

Slap at GNP

St Georges INDIES TIMES in English 28 Mar 87 pp 1, 4

[Page One Editorial]

[Text]

The proposed retrenchment of some 1800 workers by the NNP is an economic disaster from any angle one may look at it.

The main reason for the plan was to get rid of lowly paid workers in the public service. Those people who the big-boys-minded regime will call chaff. The GNP type has always maintained that certain people are too low class to be in the civil service. They saw it as 'Her majesty's civil service' and considered that these low class people were only spoiling it. This position has been a well known stand of GNP which goes back to the 1960's.

Now that GNP is dominating NNP, it sees the chance to implement this position.

The reality of the times of 1987 however does not allow the GNP to come out raw with its real position so it must find a cover. The cover is the O&M (organisation and management) report.

A second cover was for the NNP to offer retrenchment to all public servant so that it will look as though those who are retrenched agreed to go voluntarily.

A new term of VOLUNTARILY RETRENCHED was going to be invented for workers in Grenada.

But the dotish NNP is falling into its own pit. The terms offered mean that ordinary workers cannot take the retrenchment. The pittance NNP is giving cannot give them a new start. They are clear that they will get no new jobs as the private sector howling harder than 'how things are bad. Those who NNP sees as "poor class civil servants" NNP use them as scape goat.

NNP's offer of voluntary retirement is attractive to only one group of workers. The educated highly paid, young (under 45) professionals in the service. The deal NNP offers the people, is nothing short of another example of the criminal economic the regime has been practicing. A person of 35, let's say who has 15 years service with a university degree, a 100% duty free car and an unfinished bond can retire, keep these benefits and get a gratuity of \$20,000 - \$25,000 and a monthly pension of over \$400 a month for the rest of his/her lifetime. Such a person can enter the private sector or start a personal business while on retirement. Even worse this person can be reemployed with Government either on contract month to month. When the NNP's retrenchment plan is examined only those who are university graduates, qualified teachers and other trained personnel will volunteer.

Such a scheme can only have the effect of destroying the technical base of the public service and removing all maturity and experience from the service.

The NNP might be quick to answer that it will have the final say as to who goes and who stays. But this would be only a feeble after thought as all NNP plans become. We have always said that NNP coalition is sand gravel and water with no cement to hold it together. Its present decision only shows that the NNP head is indeed of sand, not brains.

The savage intentions to put so many poor class workers on the breadline will now back fire if NNP uses the democratic method of first come first serve for choosing the VOLUNTARILY RETRENCHED.

But NNP's dotishness knows no limit and is bent on destroying years of public service expertise. NNP must go over the retrenchmen.
RETRENCH NNP NOW.

Trade Union Silence

St Georges INDIES TIMES in English 28 Mar 87 p 5

[Text]

At press time the trade unions negotiating with government were scheduled to meet to plan new moves on the wage increase matter.

The three public sector unions PWT, TAWU, and GUT announced meeting to look for new ways to get the NNP to raise its pay offer.

The unions have been very silent in recent weeks since Prime Minister Blaize announced in his budget that there will be no further increase in the \$3 million he offered before.

Earlier this week Blaize repeated that he will offer the unions nothing more on the \$3 million. The unions therefore have decided to meet on the issue.

Meanwhile serious minded people in Grenada are yet to un-

derstand how could these trade unions be so silent and in active on the matter of the retrenchment of 1800 workers by NNP.

The unions have only made statements against the retrenchment. But the savagery of the retrenchment plan calls for the unions to undertake for stronger action on retrenchment. How could workers organisation be so in active in the face of such on slaught on the working people. The time has come for the union to get up and get .

Indies Times repeat its call of several weeks ago to the trade union to immediately launch a struggle against retrenchment. History events have demand that our trade unions act in the defence of workers rights.

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CSO: 3298/195

GULP ORGAN REVIEWS PARTY'S CONTRIBUTIONS, COMMITMENT

St Georges GRENADA GUARDIAN in English 3 Apr 87 pp 2, 3

[Editorial: "GULP, A Bastion of Political Strength—Symbol of Discipline and Stability"]

[Text]

Let us endeavour, with a sense of objectivity, to analyse the Grenada United Labour Party which was founded by Eric Matthew Gairy 37 years ago.

The Grenada United Labour Party was the very first political party established in Grenada, and one of the first in the region. It preceded Trinidad's PNM.

Since the coming into being of the Grenada United Labour Party in 1950, there have been some twenty-seven (27) others which came up as quickly as mushroom, and went down with the same speed. The Grenada National Party which came into being in the early 50's survived until about September 1984 when its identity succumbed to the attractions and promises that glittered from the showcase of the New National Party.

The Grenada United Labour Party, surrounded by all sorts of temptation, by all sorts of threat, by shortage of equipment and fund, sailed on swiftly and steadily holding on indefatigably and unswerving to its course over the last 37 years.

The motto of the Grenada United Labour Party - GOD in all things; TRUTH only; DISCIPLINE always - has been strictly adhered to in all cases.

Certainly, GULP recognises the existence and supremacy of GOD. GULP praises and glorifies God through songs, hymns and chants. GULP members offer prayer to GOD at the beginning and closing of all meetings and other functions, and GOD forms part of their business.

GULP, as a unified, properly organised body, deals with TRUTH with a profound sense of seriousness to the extent that, even after 37 years of existence no one can justifiably identify a single lie seriously presented to the Nation or any part thereof.

GULP has established a remarkable level of DISCIPLINE, particularly for and among its Council Members. Several acts of disciplinary measure have been put into effect which brought about warnings, suspensions and expulsions of members, always redounding to the best interest, and advantages of the party though, at sometimes, not readily seen by all concerned.

GUARDIAN asserts, with the greatest measure of objective seriousness and fortitude, that, in the first instance, GULP enjoys the blessing of GOD; GULP's leadership is characteristically strong, honest, capable and fully dedicated to national upliftment of our land and people: and, of course, the mass core of its membership is solidly loyal.

Like every other human being, GULP's leaders have made some mistakes in their every-day performances. But, we must remember, that it is only they who work that can make mistakes.

People can always rely on a GULP administration for a quick decision, favourable or unfavourable. GULP's ministers always worked diligently on all matters placed before them for decisions.

Ministers of the GULP governments have always worked with a serious sense of commitment, in the interest of our national welfare, which always took priority over, and never conflicted with, their own personal interests. All unchallengable evidence all around us today indicates that the opposite policy is now the order of the day.

Truth, discipline, integrity and dedication are only some of the many essences that characterize the Grenada United Labour Party. Of course, superseding all these, is GULP's strict adherence to Divine Principles and Cosmic Laws.

In contrast to the present administration, the Grenada National Party and others, GULP not only takes decisions without delay, but diligently initiates big programmes many of which are innovative and, though sometimes labelled "Impossible", all of which have been implemented with maximum success and, furthermore, boldly copied by the present and other Administrations.

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CSO: 3298/195

REPERCUSSIONS OF GOVERNMENT RESIGNATIONS SEEN WIDENING

Lalsingh Assessment

Port-of-Spain DAILY EXPRESS in English 15 Apr 87 p 15

[Text] ST GEORGE'S, Tuesday (CANA) — Opposition parliamentarian Kenny Lalsingh predicts that the Grenada Government will not survive from the resignation yesterday of three top government officials.

He made the statement while welcoming the resignations of Education Minister George Brizan, Attorney-General Dr Francis Alexis, and Junior Minister for Legal Affairs Tillman Thomas.

"The resignations are in the best interest of the country based on the well known deep internal division within the government," he said.

Lalsingh, a former junior minister in the government, resigned last year after he was accused of being involved in a cement scandal.

He said he expected the resignations based on "the autocratic type of leadership being demonstrated by Prime Minister Blaize."

He accused Blaize of making no "real and genuine attempt" since the 1984 elections to cement the three moderate parties which formed the ruling New National Party (NNP).

Threat of Demonstrations

FL162330 Bridgetown CANA in English 2125 GMT 16 Apr 87

[Excerpts] St Georges, April 16, CANA--Former Grenada Attorney General Dr Francis Alexis is threatening to stage islandwide demonstrations if the government proceeds with plans to sack 1,800 civil servants.

"I assure you when the time comes, come bullets, come rain, come sun, I in front of the demonstrations and I know that Tillman Thomas and George Brizan would be there. We would be there in front of the demonstrations," Alexis said last night.

He was addressing a public meeting in his St Georges South-East constituency to explain his resignation along with those of Education Minister Brizan and Junior Minister Thomas last Monday.

Alexis, who was lifted into the air several times by an estimated crowd of 400, said that the immediate task ahead in the country was to stop the retrenchment at all cost.

Alexis also disclosed that he had officially resigned yesterday from the NNP [New National Party].

Alexis identified Brizan as the leader of the trio, although he said they were not interested in forming a political party at this time.

Brizan, who also spoke at the meeting, charged that the NNP was hijacked by GNP [Prime Minister Herbert Blaize's Grenada National Party] elements.

Opposition Senator's Comment

FL171601 Bridgetown CANA in English 1523 GMT 17 Apr 87

[Text] Port of Spain, April 17--Grenadian Opposition Senator Terrence Griffiths says Prime Minister Herbert Blaize's government has no choice but to try and hold on until 1989 general elections and hope something will come along to lift the country out of its unsettled state.

Griffiths, on a trip to Port of Spain, told the TRINIDAD GUARDIAN that only a change of government would save the country from economic ruin.

The resignation of three government ministers this week was only a prelude to further upheaval which could only be avoided by the removal of Blaize from office, the paper quoted Griffiths as saying.

Griffiths described the resignations over plans for retrenchment in the public service as the tip of the iceberg, saying they reflected the frustration and disillusionment of the Grenadian people.

Instead of letting foreign agencies like the International Monetary Fund dictate our economic policies, we should negotiate a moratorium and concentrate on domestic problems. "The government cannot create efficiency at the cost of the country," Griffiths said.

Claiming there was no accountability in the protective services, government, and in the parliamentary system, Griffiths described Blaize's administration as ailing and unable to take any new options.

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CSO: 3298/195

AGRARIAN REFORM DEBATE INTENSIFIES

Giron Issues Threat

Guatemala City PRENSA LIBRE in Spanish 4 Jan 87 p 2

[Article by Salvador Hernandez]

[Text] Escuintla--Father Andres Giron, pastor for Tiquisate and Nueva Concepcion, said yesterday: "We are considering the possibility of invading several farms because we are tired of President Vinicio Cerezo's empty offers and the political manipulation of our movement."

The priest said that on 2 January he held a private meeting in Nueva Concepcion with 152 delegates from different peasant groups. There was general consensus on the peaceful invasion of several farms in the Tiquisate and Nueva Concepcion region.

He added: "For more than 10 months, we have been deceived by President Cerezo and politicians who have tried to use our movement for their own benefit. I have never been pro-government. Letters from President Cerezo, which I have in my possession, demonstrate this. They asked me not to make the march we made at the end of May and the beginning of June 1986."

He stated: "During that entire period, I have had many negotiations with the Ministry of Agriculture and other branches. They told me: 'Come tomorrow, come the day after tomorrow.' It has all been demagoguery and 'drivel.'"

He added: "We are going to invade and we are going to expose many thieves. We will show them that they cannot play with us as they have deceived other political leaders. We are going to demonstrate that several farms have been sold illegally to enrich a few people."

"I believe in what I am doing. I am going to carry out the movement even if it is over my dead body because I consider it just that the peasants, the ones who make the land produce, cultivate it. We are also thinking about organizing self-managed peasant enterprises to process the products."

Father Giron added: "I have already told the government that we do not want symbolic presentations of farms but concrete deeds. We are tired of charlatanry. It is necessary to do justice for the peasants.

"We do not want to fight with the government but open its eyes. It is blind; it does not want to see what is happening in Guatemala."

He indicated: "The peasant movement will send a telegram to the metropolitan archbishop, Monsignor Prospero Penados del Barrio, asking him to specify whether he is with the poor or with other groups or to stop giving opinions on something he does not know about."

Problem Defined

Guatemala City EL GRAFICO in Spanish 1 Mar 87 p 30

[Text] As the administration of the Christian Democrat Government continues, the problem of ownership and exploitation of our main natural resource, land, grows worse.

Contrary to other areas in which Christian Democracy made electoral promises that seemed to border on social democratic proposals, the party that is now in government was always cautious about the agrarian problem, only formulating a policy that idle lands would be taxed. This tax would increase year after year in order to discourage holding land as a strategic reserve.

After the government was installed, that promise was shelved. The government was characterized by confusion due to a dispute among different bureaucratic organs, especially the Ministry of Development. Inertia toward the overwhelming problem created the conditions for the peasant uprising led by Father Andres Giron. The government ignored the demand for land and mismanagement of the matter caused unnecessary friction and confrontations. In the end, the idea of taxing idle land was taken off the shelf. One ingredient, tax benefits for landowners who make farms produce, was added.

Father Giron's activities made the groups of landowners in the country, especially UNAGRO [National Agricultural-Livestock Union], take a firm stand on the situation, pointing out the dangers inherent to demagoguery and "haste" in solving the problem. On 24 February, UNAGRO issued a harsh communique demanding that the government define its agrarian policy. It spoke out firmly against a possible reform in that sector. It also demanded the dismissal of Minister Estrada.

"Concern, Impatience"

After speaking out against an agrarian reform "with taxes," UNAGRO revealed its "concern" and "impatience" about the way the government is acting. UNAGRO accused the government of "lack of responsibility" and "irresponsibility."

"We Will Continue Forward"

Father Giron and other agrarian leaders assured that "we will continue forward" in their plans to occupy land if the government does not quickly respond to their demands. The situation, which has been conflictive for many years, could be suddenly exacerbated by some violent act. One was almost consummated on the peasant leader of Retalhuleu. Armed individuals kidnapped him and threatened to kill him if he continued causing problems for a landowner who apparently closed the only passage the peasants could use to leave the land.

Mrs Cerezo Negotiates

Guatemala City PRENSA LIBRE in Spanish 26 Jan 87 p 6

[Text] San Jose, Escuintla--Yesterday the president of INTA [National Institute of Agrarian Reform], Eng Nery Samayoa, told several hundred farmers in the park of this town: "No more cliques or giving land to the military and public officials. The land should be in the hands of the peasants so that they can cultivate it."

The meeting held just before noon was presided over by Raquel Blandon de Cerezo, wife of the president of the republic, Minister of Agriculture Rodolfo Estrada Hurtarte, and other local officials.

The peasants, members of the Peasant Civic Organization, met in the Justo Rufino Barrios central park here to await the arrival of the government officials. They wanted to present to them their need for land to cultivate.

The peasants carried signs like: "We women want land for our husbands"; "Mr President, we want land"; "We love democracy, we do not like violence"; "Long live the president of INTA"; "We do not want foreigners to have Guatemalan land"; etc.

Separate from Father Giron's Movement

Mrs Griselda Marroquin, vice president of the peasant movement, revealed that the farmers there asking for land are not part of Father Andres Giron's negotiations.

She said: "The land shortage cannot be solved by marching and making the central park of the capital a dump. It is solved with faith in our government, dialogue, and agreement."

She added: "We do not want acts of violence. Rather, we should have confidence in our officials because we can see that they are interested in helping us."

Bill to Benefit Peasants

The minister of agriculture, livestock, and nutrition, Eng Rodolfo Estrada Hurtarte, revealed that the government has a bill that will benefit all peasants who yearn for a piece of land.

He added: "The purpose of our visits with other officials to this port has been to discover your needs and find an immediate solution to them. You will soon be informed about it. The president knows that the blood of this nation lies in the land that the peasants have worked."

He stated later: "It is hard to immediately resolve those demands because we found the coffers empty. You should be patient because the president supports the peasant movement. We cannot give a parcel of land to every peasant because there is not enough land in Central America. Therefore, we must work together and act jointly."

He pointed out: "We are seeking collaboration from the good-hearted landowners. Those who do not want to understand should take a look at the countries that are being torn apart by civil wars because of social injustice. We want better wages and better benefits for the workers."

He concluded: "There are winds of hope in Guatemala. In less than 15 days, you will be informed about the agrarian bill we are working on. We seek the participation of good-hearted businessmen of good faith to solve the problems of the peasants."

Peace and Bread

The mayor of this port, Marco Tulio Monzon, stated that the peasants want peace but a peace in which they can be breadwinners. We not only need land but government advice and financing. Better times will come when all Guatemalans will be happy. We want our government to demonstrate to us that there was democracy in Guatemala during its administration.

Guatemala Was Bankrupt

Raquel Blandon de Cerezo, wife of the president of the republic, revealed that she was happy that the peasants were united. She said: "My husband and I have always sought the unity of the Guatemalan family."

"However, you must understand that the problems cannot be solved overnight. We found a country destroyed and isolated. In the first year of government, we are beginning to reconstruct it. We are demonstrating that we are no longer oppressed, that we are no longer on our knees. Guatemala won the presidency of the group of 77, among 123 developing nations throughout the world, which demonstrates that we are regaining international prestige."

"As to the problem of the peasants, some members of the private sector realized that they have enriched themselves through the sweat of the people and now collaborate to construct a better Guatemala, paying their taxes as is proper. Measures are being studied to rent land for you as well as to purchase

farms to solve the problem. There is not enough land for everyone but by working together, as is proper, we will all benefit."

Support Measures Against High Cost of Living

Mrs Blandon de Cerezo asked the housewives and their husbands to collaborate with the Consumers League and adopt restrictive measures on purchasing the products that make the family market basket expensive. She concluded: "We must watch and not permit an increase on basic articles. If we all agree not to buy the articles that make the family market basket expensive, we will win the battle."

No More Cliques

Agricultural Eng Nery Samayoa, president of INTA, repeated his position of no longer permitting cliques in that institution. He added: "No more cliques, no more land for buddies, for public officials, and for the military. The land that we are going to acquire is for the peasants."

As to Mr Jose Marcucci's land near the Santa Rosa farm, Engineer Samayoa said that they had already inspected it to establish if it belongs to the state or is private property.

He revealed: "We inspected it in spite of the fact that some military comrades tried to keep us from entering. Be assured that if it belongs to the state, it will be handed over to you. If it is private property but is idle, we will charge the owner a large fine."

Also in Masagua

Some 100 peasants who have been negotiating land with INTA met yesterday with the president of that institution, Eng Nery Samayoa. He offered to expedite the transactions so that the land that they need to cultivate is granted to them.

He stated: "If you see some farm that is not being worked, you should tell me so that we can establish to whom it belongs."

He also told them that they will soon be informed of an important government bill to partially resolve the land shortage. The mayor of Masagua, Faustino Aquino Carrera, was present at this meeting.

CUSG Will Strike

Guatemala City PRENSA LIBRE in Spanish 23 Jan 87 p 9

[Text] Juan Francisco Alfaro Mijangos reported yesterday: "President Cerezo Arevalo has the month of February to solve the peasants' land problem and revoke the increase in electric rates. Otherwise, actions will be taken."

The secretary general of the CUSG [Guatemalan Confederation of Trade Union Unity] said that this decision was made in an emergency session of the CUSG

Advisory Council. It was appointed by the representatives at the CUSG General Assembly to find the best solution to the problems that affect Guatemalans.

Alfaro argued: "The peasants are desperate because of their problem with planting which begins in March and April. The government has not made any decisions."

Alfaro Mijangos said: "Other sectors of the population were alarmed by the 30-percent increase in electric rates."

Alfaro stated: "The Executive Committee of the CUSG met yesterday and agreed to send notes to the unions for Light and Power and INDE [National Institute of Electrification] in order to obtain their firm support and solidarity."

He added: "Commissions have also been named to coordinate actions to be held on 23 February. One is a march by groups of peasants from different parts of the republic to the capital."

Alfaro Mijangos said: "If they do not receive a positive response, the union organizations in the CUSG will go on strike the same day, 23 February. Other groups not affiliated with this confederation have agreed to participate."

Bishop, Giron at Odds

Guatemala City PRENSA LIBRE in Spanish 6 Jan 87 p 6

[Excerpt] Escuintla--The bishop of Escuintla, Monsignor Fernando Claudio Gamalero Gonzalez, stated in an interview yesterday: We support Father Andres Giron's negotiations to obtain land for the peasants but not the procedure of invading farms because that is against the law.

He revealed that a meeting was held yesterday morning with all the priests of the department. The general consensus is that Father Giron's requests are just but they must remain within the law.

He said: "Therefore, I appeal to the common sense of Father Andres Giron who is a peaceful man. Perhaps the pressure by the peasants to obtain land makes him consider de facto measures."

He continued: "We must be quite clear that the farms Father Giron mentions might be invaded are not private land but state land that is idle."

He pointed out: "Father Giron's movement is just because it is based on his love for his neighbor. However, we must keep in mind that de facto measures would have heartrending consequences."

He concluded: "The weight of this and other agricultural problems falls directly on the government because it has been deceptive in its bureaucratic transactions."

Governor of Escuintla Gives Opinion

The departmental governor of Escuintla, Joel Cualio Soto, stated: "If Father Giron insists on invading land, he will end the ongoing dialogue."

He added: "I don't believe that he is going to invade private property because he would be breaking the law."

"Acts of this nature would destabilize the democratic system maintained during the Christian Democrat regime. Therefore, I appeal to Father Giron to think carefully because what they have planned would generate more violence."

He concluded: "If there were an invasion, the authorities, not the bosses, would be responsible for ousting the peasants. Everyone must submit to the law and not take it into his own hands. I feel that this situation will not come about because the priest is a person who respects the law and knows how to dialogue. Everything is settled with dialogue."

Invasions Against Law

Guatemala City PRENSA LIBRE in Spanish 4 Jan 87 p 2

[Text] President Cerezo wants to give a prompt and definitive response to the proposals of the peasants and is sympathetic toward Father Giron's work. Juan Jose Rodil, minister of government, stated this last night.

He added that there has been discussion recently about how to resolve this situation so that the problem does not become worse, how to solve the problems of the peasants without violating the Constitution.

The minister stated yesterday: However, I must repeat that the invasion of state or private land is a crime according to the Penal Code.

He said: "The government will use all legitimate means within its power to stop those who commit criminal acts. It will arraign anyone who is caught committing such crimes."

He said: "We are very sympathetic toward any measure of social justice for the always forgotten and underprivileged majorities. However, we absolutely and energetically disapprove of any citizen, including Father Giron, acting outside the law, believing himself to be the needle on the scales of justice."

"Guatemala's agrarian problem is as old as our institutional existence. Therefore, it is illogical to demand that it be completely solved in a few months."

"President Cerezo has demonstrated his good faith and profound interest in legally implementing a policy of social justice by permitting gradual access of the peasants to the land, looking for a way to finance the legitimate purchase of the land."

"No one denies the justice of the basic demands of the peasants. However, Father Giron is mistaken when he states that the minister of government threatens.

"As a public official and a lawyer, I am a jurist, not a horse thief who threatens people. As minister of government, I have the constitutional obligation to correct those who mistakenly attempt acts of justice based on unjust threats.

"The legal system indicates that we Guatemalans, without distinction between governors or governed, are subject to the law and no one is above the law. There are legal mechanisms to promote reforms or to insure rights that are considered violated or infringed.

"Therefore, Father Giron is not only mistaken, but he goes outside the law by declaring that he will invade others' land.

"Next week I will cordially invite the priest to come to my office in order to carefully explain to him that those who try to do justice through de facto measures erode democracy.

"We must remember that the transcendental value that all Guatemalans must pursue is consolidation of the legality of the democratic process. Without this pillar, all the blood that has been shed in the past to end the dark night will be in vain.

"Those who take de facto actions that weaken the democratic process play the game of obscurantists and the extremes on the right and the left.

"It is a shame that the just claim presented by Father Giron and applauded by many Guatemalans is sullied when he announces that he will use illegal measures to seek justice, as was done in the past."

Finally, Rodil Peralta announced that the government will continue offering protection to Father Giron to carry out negotiations of any type as long as they remain within the law.

Government, UNAGRO Talk

Guatemala City PRENSA LIBRE in Spanish 25 Feb 87 p 2

[Text] The program to hand over government land will be discussed and agreed on with UNAGRO. The acting president, Roberto Carpio Nicolle, stated this yesterday at the conference held in the banquet room of the Palacio Nacional.

Carpio was questioned by reporters about UNAGRO 's demands. It publicly asks the government to define its agrarian policy and stop the activity of people like Father Andres Giron which affects private property.

The acting president said: "The Constitution of the Republic recognizes private property. The Christian Democrat Government will never attack real estate."

He stated: "There is a profound social crisis in the country that will be taken care of by the government. There are many problems in the rural area and they must be solved based on the possibilities of the country." He emphasized: "However, our work plan to solve the land problems will be discussed and analyzed with representatives of UNAGRO and other national institutions."

Acting president Roberto Carpio concluded: "We want our plan to be the result of agreement." He did not specify details of how the plan to hand over land will be structured. This concerns UNAGRO.

The minister of agriculture, livestock, and nutrition, Eng Rodolfo Estrada Hurtarte, emphasized that the government will hand over several farms this year to the peasants led by Father Giron. However, he did not explain how those farms will be obtained.

Cerezo Intolerant

Guatemala City PRENSA LIBRE in Spanish 20 Jan 87 p 6

[Text] Yesterday, reporting on the basic points of his agricultural program for this year, President Cerezo stated: "The government will not confiscate land because it would provoke confrontations and would endanger the democratization of the country."

The agrarian reform and the threats of groups of peasants headed by Father Andres Giron concern Guatemalan farmers who feel that the absence of a government policy constitutes a danger for the landowners.

President Cerezo told reporters that the objective of his agricultural program is to give incentives to production through incentives to farmers. It will collect taxes on land that remains idle and will support the development of cooperatives and agricultural enterprises among small farmers.

The president recognized that there is not enough land for everyone so it is appropriate to continue the formation of cooperatives or peasant enterprises. They will be given financing, technology, and marketing systems.

He mentioned the projects begun by past governments which have been forgotten. This has affected hundreds of peasants. He said that those programs will be restructured to improve the work of the groups benefited in the past but "they cannot do anything about the lack of government support."

Incentives for the Producer

The president said that a novelty in the rural sector will be incentives for producers. For example, taxes will not be collected from producers who meet their goals.

In other words, if the producer achieves a good harvest, he will not pay a certain percentage of his taxes. If he surpasses the goal, he will receive special treatment.

On the other hand, taxes will be collected from landowners who keep the land idle because, in Guatemala, it is a luxury to have unworked parcels or farms.

He added that some land will be purchased by the government for distribution to needy peasants who will be organized into cooperatives.

He emphasized: "Producers who do not pay taxes when the incentives go into effect will be required to improve the living conditions of their workers. They will be able to increase their wages, improve the housing, and provide education for the children as well as medical care."

Fight High Cost of Living

Cerezo also stated that he began talks with union leaders and businessmen in order to agree on a social pact.

For example, when a certain product increases in price, the employees of that factory must also benefit.

He cited the example of milk whose price increased recently. The wages of those who work in the enterprises that process the product remained the same.

UNAGRO Adamant

Guatemala City EL GRAFICO in Spanish 24 Feb 87 p 3

[Text] Guatemala City, 24 Feb--In a special assembly held yesterday, UNAGRO expressed its complete rejection of any agrarian reform that had a "confiscatory nature." It also revealed its "great concern and impatience" about the way the government is acting toward this situation.

The UNAGRO meeting was held yesterday in the headquarters of AGA [General Association of Farmers] with representatives of different groups of landowners throughout the country participating.

The objective of the meeting was to establish UNAGRO's position toward the worsening of the conflictive situation in the rural sector where groups of peasants threaten to invade privately owned lands.

For more than 3 hours, the farmers analyzed statements by union and political sectors on the agrarian problem, demanding the implementation of an agrarian reform. They also analyzed the action of President Vinicio Cerezo's government and the proposals presented by the Ministry of Agriculture.

Government Will be Responsible

At the end of the meeting, architect Gustavo Anzueto Vielman, vice president of AGA and top leader of UNAGRO, reported that the conclusions of the meeting

included the great concern of the farmers about the current insecure agricultural situation.

He said: "The concern and impatience of those present because of the lack of authority with which the government is acting and its irresponsible attitude toward the conflict caused by the land problem were demonstrated."

The former presidential candidate said that UNAGRO considers the government solely responsible for the consequences of the situation in coming days.

He stated that, instead of seeking some method to resolve the current situation, the government has maintained an attitude that confuses and tends to exacerbate the problem.

UNAGRO Will Propose Solutions

Architect Gustavo Anzueto Vielman also indicated that UNAGRO will call a press conference soon to announce a series of measures it will propose to the government. These will be suggestions to seek some solution to the current national problem.

He revealed: "At that press conference, we will propose a series of practical and modern ideas that we believe can resolve the current situation and prevent the adoption of a confiscatory agrarian reform policy because this would destroy the economy of the country."

Agriculture Minister Speaks Out

Guatemala City PRENSA LIBRE in Spanish 6 Jan 87 p 6

[Text] Yesterday Minister of Agriculture Rodolfo Estrada Hurtarte said: "The government will not tolerate the invasion of land announced by Father Andres Giron." He called the possible action "a serious mistake."

He said: "For that reason, I will hold a meeting today (yesterday) with the spiritual leader. We will dialogue long and hard about the land policy that the Christian Democrat Government will develop in the coming years."

The official indicated that the land program will be announced in a week. Its first step will be the presentation of five farms in the coming months chosen from a list of 25 located in different regions of the country.

He defined the plan as "formal, serious, and aggressive" in order to achieve higher productivity that will benefit the thousands of peasant farmers who will work the land with technical, financial, and credit aid from the government.

Better Yield

Eng Estrada Hurtarte said that, during his first meeting with the personnel of that office, he exhorted them to change their administrative attitude "in order to eliminate the bureaucratic cancer."

GOVERNMENT TO SELL STATE ENTERPRISES TO PRIVATE SECTOR

San Pedro Sula IA PRENSA in Spanish 28 Mar 87 p 2

[Article by Victor Montecinos: "Minister-Adviser to the Presidency Head of Privatization Commission"; first paragraph is IA PRENSA introduction]

[Text] Tegucigalpa--Through the executive president of CONADI [National Corporation for Investment], Angel Eduardo Ramos, the government officially announced the privatization program to be carried out in the country to the Tegucigalpa Chamber of Commerce and Industries.

Privatization means transferring businesses, participation, and shares that are now owned by the state from the public sector to the private. Ramos considered this one of the most important actions promoted by the current administration.

Ramos said that the privatization program will stop the continual flow of budget resources and losses in the state enterprises that total 100 million lempiras per year. If that action is not taken, the nation can lose much more.

The official added that, in order to carry out this measure, there have been a series of steps to adopt necessary measures and create the institutional and legal framework that will guarantee the honesty and purity of this new process in Honduras, privatization.

He pointed out: "We are returning those production enterprises that the state could not handle to the private sector. Time has demonstrated that governments should not go into fields prohibited to it."

The first steps were taken through Decree 161-85 and Decree 197-85 in September 1985. However, the recently signed executive agreement 298-87 regulates the decree for the privatization program.

As part of economic revitalization, an agreement was signed with the U.S. Government through the AID. This permits donations of foreign aid for evaluation and technical advice to improve the enterprises to be sold.

The privatization program is an attempt to revitalize the national economy and rationalize the use of the financial efforts and human resources of the country.

It is said that this measure is dividing or democratizing national capital by handing over the management of state enterprises to the private sector to generate greater participation in general.

There are two ways to make the state enterprises private:

- a) Public auction; or
- b) Direct negotiation.

Within these two forms of privatization, there are mechanisms that can be considered equal like the sale of the enterprises, credits, compensation in payments, etc.

This is determined by Honduran legislation for which the Economic Cabinet was created. This will see a great deal of action within the privatization program represented by several of the ministers who are on the executive board of CONADI.

Through executive agreement, President Azcona also appointed a privatization commission that will advise the executive branch and the executive councils of the executing bodies in order to give the process greater scope and security.

It is headed by the president's economic adviser, Carlos Falck, who will have direct knowledge of the problems being presented for solution.

The technical work group is made up of national and foreign officials. Its mission will be to provide technical assistance to the executing bodies: CONADI and BANADESA [National Agricultural Development Bank].

The same law establishes the creation of the Commission for Appraisal Recommendations which will approve the technical-financial appraisals. It includes a member of the General Comptroller's Office, one from the Superintendency of Autonomous Bodies, one from the Superintendency of Banks of the Central Bank, one from Administrative Integrity, and others from the private sector.

The executive councils of the executing bodies will determine and approve the actions to be taken. If they decide on the direct sale of the enterprises, they will have to form a negotiating commission which will represent the executing body.

There is also an auction commission established by the law. A lawyer will determine, certify, and observe the auction and will testify to the way it is carried out.

There will also be a negotiating commission and an ad hoc court that will hear appeals about the procedures carried out.

Each one of the 61 enterprises in CONADI represents a totally different problem. They are going to be completely guaranteed financially and legally in order to turn them over to private enterprise free of any liability.

There is consideration about beginning in the first half of April to sell those enterprises with fewer problems which are now paralyzed. Based on priorities, they are as follows: METALSA, POACAHRSA, Hotel Brisas del Lago, and International Construction Systems.

Fundiciones Centroamericanas and Hotelera Copantl will also be sold. National and foreign investors will be invited to begin to acquire those enterprises as soon as possible.

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CSO: 3248/281

TEXT OF THRONE SPEECH TO PARLIAMENT BY GOVERNOR GENERAL

Kingston THE DAILY GLEANER in English 1 Apr 87 pp 8, 28

[Text of Throne Speech by Governor General Sir Florizel Glasspole at formal opening of new session of Parliament 31 March 1987]

[Text]

"HONOURABLE President and members of the Senate, honourable Speaker and members of the honourable House of Representatives.

Last year, I concluded the speech from the Throne with the following words — 'Let us therefore resolve that this will be the year that the fruits of the adjustments of the last three years will mature and that the harvest will go towards easing the burdens of personal sacrifice. Let us equally realise that benefits will flow only if work, dedication and discipline continue to be the precepts by which our efforts will be guided this year. If we move forward with renewed determination, there will be much to celebrate next year.'

It is therefore most heartening to be able to record that despite some difficulties over the past year, the real achievements were such as to give validity to our resolution of the last Throne Speech that with work, dedication and discipline, our nation would begin to reap the fruits of the sacrifices of the three previous years; indeed we have cause for satisfaction this year.

The Government has held steadfastly to the course on which it embarked in 1983, a course of economic recovery through stabilisation of the country's finances and the restructuring and deregulation of the economy for the resumption of steady economic growth.

The financial year 1986/87 commenced with virtually all the pain and trauma of the structural adjustment of the economy behind us and, as planned, the country moved over the past year into a period of consolidation and growth, and convincingly into the phase in which we began to reap the hard-earned gains.

The reasons underlying the necessity for this approach are now well known and fully documented and it is therefore not the intention to dwell on them at any length this year.

But the people of Jamaica will long carry in their memories the extent and depth of the sacrifices which have had to be made in order to halt the rapid decline to which the Jamaican economy had been subjected for the better part of the decade of the seventies.

This we have in large measure achieved and have indeed been successful to the extent that not only has the situation been arrested and stabilised, but the past year has witnessed the economy once again resuming the path of growth realised in the earlier years of this decade.

The Jamaican economy, as planned in terms of the structural adjustment programme, now rests far more securely on four legs — tourism, agriculture, manufacturing and mining. Benefiting from the earlier strategy of devaluation, the export earning capability of these sectors has continued to grow in strength, some at a faster rate than others.

●● Tourism, agriculture

Operating from a position of real competitiveness backed by professional promotion and a climate of goodwill, Jamaican tourism is now running at unprecedented levels whether measured in terms of visitor arrivals, occupancy levels, foreign exchange earnings or employment generation. We experienced a record number of arrivals in 1986/87 with a very healthy level of growth over the previous year. This year is expected to be even more successful, reaching the milestone of one million visitors for the first time.

The main commodities in the agricultural sector are steadily strengthening their production base by means of expanded cultivation or improved technology and management, building a sound foundation for realising more fully the export earning potential of the sector. This is true of sugar, bananas, coffee, cocoa, citrus, root crops and horticulture.

In the areas of import substitution and in furtherance of the Government's self-sufficiency programme under Agro 21, much progress is being made in fish production and rice.

Land reform is proceeding effectively. Some 45,000 acres of leasehold land have already been sold to small farmers and the remaining 25,000 acres are to be sold over the next two to three years, completing the most massive land reform programme ever. Agro 21 has completed, in addition, the privatisation by leasehold of all 30,000 acres of land in the country suitable for large-scale production.

A major programme of development of old land settlements to provide full infrastructure and land titles for the settlers is being introduced this year. The Prime Minister will elaborate on this fully in his presentation of the budget.

The Ministry of Agriculture is about to embark on an important new initiative for hillside farmers.

●● Manufacturing, mining

The manufacturing sector is now beginning to show signs of improved performance particularly in the areas of export manufacture

including as it does in garment production, what is acknowledged to be the fastest growing export sub-sector in the world today in new capacity.

During the financial year 1987/88, there will be accelerated expansion of the factory building programme in an effort to overtake the substantial growth in demand for increased factory space. Just over one million square feet, employing 13,000 workers, have now been completed. Total employment in the export garment sector has now reached just under 20,000.

The Jamaica National Investment Promotion Limited, the Jamaica National Export Corporation and the Jamaica Industrial Development Corporation are to be merged into a single institution for better co-ordination of investment and production.

After the collapse of world demand for bauxite/alumina in the period 1983/85, the mining sector has been stabilised over the past year and has started to show increases with projected export earnings for bauxite and alumina signalling a resurgence of improved activity in this sector.

The Clarendon Alumina Plant continues to produce at maximum capacity whilst maintaining high quality. Construction of a mud disposal lake system is scheduled to commence this year with a total investment of some US\$50m.

A decision on the future of ALPART is now dependent on the direction to be taken by the group which recently took over control of the main operating company of the ALPART partners. Prior to the takeover, total agreement had already been reached between the company and the government of Jamaica for reopening. Discussion with the new controlling group is to start soon.

●● Monetary matters

With the steadily improving performance of these sectors, the recent finalisation of an agreement with the International Monetary Fund has set the stage for the movement of the economy into a period of real growth, due in large measure to the improved stability provided by this agreement. This new agreement with the IMF has created the base for sustained development of the economy over the medium term.

Of paramount importance to the economy is the fact that the rate of exchange of the Jamaican dollar will remain stabilised around the \$5.50 level over the ensuing 15-month period, and this in turn is based on the maintenance of a low level of inflation.

The rate of inflation will be contained to a level of seven per cent primarily by the retention of price controls on basic items and by the observance of pay guidelines limiting pay increases to an overall average of 10% of the wage fund per annum which compares favourably with the national average of 12½% for wage settlement last year.

Of particular importance in this formulation is the fact that wage increases have exceeded price increases in 1986-87 on an overall basis and are again expected to show the same result for a second consecutive year.

The country must record with pride the level of stabilisation and relative calm that has prevailed in industrial relations despite the problems and adjustments through which we have passed.

A unit will be established to monitor the implementation of the wage guidelines. Every effort will be made to do so by explanation and advice in order to maintain and further enhance the climate of stability which has prevailed in the area of labour relations.

The second phase of the Tax Reform Programme aimed at reducing the rate of corporate taxes from 45% to 33% has now been completed as promised. The first phase providing reduction of taxation to individual income earners, and complete income tax relief for 150,000 taxpayers was already implemented last year.

Likewise a Tariff Reform Programme is being progressively introduced over the next four years which will mean that the range of import duties will be considerably reduced. The government has already reduced import duties to a maximum of 68% and will each year set a maximum level for the next year, following discussions with interest groups.

Government has also reduced the stamp duties on raw materials from 16% to 10%. As a consequence, import duties were recently reduced on 4,200 items, through the Tariff Reform Programme, and this will

have an overall effect in the lowering of prices.

Exporters will now receive the benefit of an export tax rebate scheme in respect of all exports to non-Caricom markets as an incentive to increase exports to third country markets.

The combined effect of the Tax Reform Programme and the Tariff Reform Programme, both of which have already been outlined in detail to Parliament and the nation, will provide a strong stimulus to investment and economic activity which is a prerequisite for the period of health and sustained growth into which the economy is now entering.

The entire nation recently received with great relief and a sense of pride the news that for the first time in eleven years the government was financing its operational expenses entirely out of revenue with a surplus which would go towards the funding of capital expenditure.

Once again, by steady and unfaltering management, yet another of our targets was achieved, and Jamaica after more than a decade of deficits, is showing a surplus on its current account.

This year also, the balance of payments is projected to show a surplus and is targeted to achieve a further increased surplus next year. These are no mean achievements and fully vindicate the wisdom of the economic policies which the government had adopted and tenaciously adhered to over the past five years.

Neither should we lose sight of the fact that over the past six years this level of performance has been recorded despite the loss of some two-thirds of our net earnings from bauxite and alumina due to factors beyond our control.

The economy having successfully gone through the recent structural adjustments and stabilisation measures, the government will now be concentrating on reforms in the areas of trade and investment and selected public enterprises, all of which have now commenced.

Following on the unprecedented success of the National Commercial Bank divestment, the government will continue its programme of divestment by which more and more Jamaicans will be afforded the opportunity to share in the ownership of the productive and profitable en-

terprises of the country.

During the course of the year, other publicly-owned entities, including the Caribbean Cement Company, government-owned hotels and the media will be privatised. The Stock Exchange is expected to develop even greater momentum and strength from the surge in investor confidence being experienced.

The financial year 1987-88 will see the continuation and consolidation of the gains which have been derived from the stated economic policies of the government.

●● Utilities

Likewise, the systematic and progressive improvement in the areas of utilities and transportation and in the provision of the infrastructure necessary both for economic development and the achievement of a better quality of life for the people will continue to be addressed throughout the coming year.

As regards the provision of an adequate water supply, priority will be given to those areas which suffer from inadequate supplies throughout the year. The total programme will cover some one hundred and sixty-five towns and districts. The total cost of this programme is \$140 million, representing the largest attack on the water problem ever launched in Jamaica.

Additionally, a new programme is being launched, targeted to build 300 district tanks in order to alleviate the problem of water shortage in a number of villages throughout the country.

Road improvement will this year be high on the government's list of priorities. Some \$265.3 million of direct expenditure will be spent on road improvement.

Of this amount the township improvement programme will account for \$27 million, and will include major work in Montego Bay, May Pen, Spanish Town and Portmore. The Corporate Area and the surrounding hills will be allocated \$44 million, and the rural areas will get an estimated \$160 million, and finally \$38 million will be spent on the major highways.

This expenditure will go a long way towards improving the condition of our roads.

In the area of transportation, the Transport Authority Act (1987) will shortly be promulgated. This Act is

designed to ensure the effective functioning of the public transportation system. It will establish a transport authority empowered to regulate the operation of all public passenger vehicles throughout the island and to monitor other aspects of road transportation services.

Of specific significance are the provisions which relate to inspectors who will be empowered to stop, inspect and seize public passenger vehicles to ensure improvements of the public transportation system for the convenience of the travelling public.

With improved order in the system, the public transportation sector will receive an increase in its capacity to move passengers by the importation of some 300 buses, a total of approximately 9,000 seats. One hundred buses are also being imported for use in the tourist industry.

Through a combination of the restoration and expansion of generating capacity, problems of electricity supply have been overcome, and there is now in the system more than adequate supply to meet the needs of the country.

However, the transmission lines which carry electricity are being overhauled and in the course of this programme of work there may be some short interruptions of electricity from time to time.

In the area of Telecommunications Services, negotiations have been successfully concluded for the establishment of a holding company for the ownership of the Jamaica Telephone Company and JAMINTEL and the necessary agreement will shortly be finalised.

During the course of this week, governments participating in INTELSAT will have before them for decision the recommendation of the Board of Governors concerning the Jamaican Teleport Project which will provide two-way private line voice, video, facsimile and data communications between Jamaica and the United States of America. This is the last step in the chain of approvals required for the establishment of the teleport which is scheduled for Montego Bay. It is expected that this project will employ up to 4,000 persons.

Work is being carried out to upgrade the facilities at the two international airports. The work to be done this year involves the rehabili-

tation of runways and taxiways and the installation of high intensity airfield lighting.

In the area of postal services, the programme of repair and refurbishing will be expanded this year.

●● Education, youth

The Government continues to regard education as a cornerstone of national development. The improvement to the primary education system will continue with repairs, replacement and new school buildings. The programme of repairs to secondary and high schools will be accelerated.

Technical and vocational education will be expanded by upgrading the technical departments of four (4) secondary schools and upgrading of the programme at the seven existing Technical High Schools. The College of Arts Science and Technology (C.A.S.T.) will be fully established as a degree granting institution.

The planned expansion of the Human Employment and Resource Training Programme (H.E.A.R.T.) together with the Solidarity Programme will offer increasing opportunity for training of the youth of the country in Business, Construction, Cosmetology and Garment Industry Skills, as well as Skills in Agriculture and Tourism-related Activities, thereby increasing the opportunities for both employment and self-employment among the young people of Jamaica.

The Solidarity Programme continues to make steady progress providing young, unemployed persons, between the ages of 18 and 30, not only with the opportunity to receive funding for their projects, but also with a chance to receive business training, thereby educating them in how to operate their own business venture.

Over 4,000 projects across the island have been identified for processing, and more than 1,000 youth are currently benefiting from those projects found feasible and approved for implementation. An additional 1,400 persons are very shortly to become Solidarity Business Operators as additional projects come on stream.

Further, it is estimated that by the end of this financial year over 3,000 projects will have been approved which upon implementation will increase the number of young

people benefiting under the solidarity programme to 10,000.

The Rural Youth Credit Programme implemented by the Jamaica 4-H Club undertook 227 projects involving 500 young people in 1986. This programme will be expanded during this year to 1,100 young people with projects amounting to \$2.75 million.

Welfare, health, justice

In the area of Child Care and Protection the Government has established the Jamaica Foundation for Children and Project L.E.A.P. and has effected legal reforms in the area of child abuse to protect our children and provide a place for those who are abandoned and rejected by their parents.

During 1987 Project L.E.A.P. will be officially inaugurated and further legislative reforms to laws concerning adoption and the age of consent will be addressed.

The Food Stamp Programme was introduced to assist the elderly, the indigent, expectant mothers and mothers with children of pre-school age, who are in need. The distribution system will be reorganised this year to ensure the smooth delivery of stamps to the target group of beneficiaries.

The care of our indigent aged has never reached acceptable standards. The Golden Age Home established in the capital city to replace Eventide Home is the model of the desired standard and will be expanded to rural parishes in this financial year to replace sub-standard accommodation to the elderly poor.

Six of the seven small hospitals in which services were reduced are now ready for the basic services now offered to be fully upgraded in equipment and quality of service this year, as part of the programme of rationalisation of the health service. Planning for the complete refurbishing and equipping of the hospital system will be completed this year.

Government will be embarking on a construction programme designed to improve medical support facilities. A new public health laboratory will be built this year and the programme of renovation and refurbishing of health centres will continue.

It will also be noted that there has been a substantial increase in the budgetary provision for equipment necessary for the proper functioning of the hospital system. The fleet of ambulances and utility vehicles is also being increased to improve service in this area.

The government will also be commencing the implementation of its programme of privatising some of the support services in hospitals, whereby services offered by hospitals will be put in the hands of professional management organisations as yet another means of providing improved health care and ensuring that such care is delivered on the basis of better value for money.

With the successful results derived from the privatisation of government services in such areas as public cleansing, markets, parks and other related activities, the logic of the government's policy in redirecting local government authorities to manageable areas of administration has been fully vindicated.

It is now clear that better value and improved quality of service is being received for every dollar of expenditure, and the government will now be moving to apply progressively the model which has been so eminently successful in the urban areas.

In the area of justice, the programme of upgrading and refurbishing of court houses and other physical facilities will continue with expenditure provided to complete the refurbishing of 35 court houses in this financial year. It is also the intention of government to finalise during the course of the year the enactment of all outstanding pieces of legislation in the area of social reform.

The security forces will continue the drive against crime and trafficking in narcotics, and will be re-equipped with a complete new system of telecommunications to replace the present inadequate system.

The programme of repairs and refurbishing of police stations islandwide will be continued.

●● Foreign affairs

In the field of foreign affairs, Jamaica remains active in the international search for constructive solutions as we pursue the objectives of peace, security and development. We remain firmly committed to the principles of democracy, human rights and social justice.

We will continue to oppose the apartheid policies of South Africa and give support to the African people who are in the front line of resistance against this system of exploitation.

The international economic climate remains difficult and the growing trend towards protectionism constitutes a major threat to development and growth. It will require our constant opposition in the various international fora concerned with trade and development.

It can be said that the government has now restored the economy of Jamaica to the stage at which we can now embark upon a new period of sustained growth within a framework of stability and a healthy investment climate.

The adjustment period through which we have passed has tested the fibre of the character of the Jamaican people and from this has emerged greater strength and endurance, and today we pay great tribute to the sound judgement of our people which has prevailed.

The government and people of Jamaica acknowledge a debt of gratitude to those countries and international agencies without whose co-operation many of our achievements over the past year would not have been possible.

A special word of appreciation must go to the heads of missions and resident representatives of agencies in Jamaica and to their members of staff who continue to render invaluable service to our country, whether in terms of on-going programmes of co-operation or assistance in times of natural disaster.

And we once again thank most sincerely the Jamaican community overseas for their increasing in-

volvement in tangible ways in the building of our nation which at heart they still regard as home.

This year's budget presentation will serve to indicate quite clearly that the economic foundations have been well and truly laid, and the focus of attention can now be increasingly shifted to addressing the needs of the social sector which have had to await the necessary adjustment and recovery of the economy. The focus can also now shift more emphatically to cultural programmes.

As we move further into 1987, it is indeed appropriate that we will be celebrating both the 25th anniversary of our independence and

the 100th anniversary of the birthday of our first national hero, The Right Excellent Marcus Mosiah Garvey.

It is fitting that these two milestones in the history of our young nation should be observed at the time that we begin to reap the fruits of the sacrifices which we were called upon to make over the past five years, and we should now move forward as one nation under God to continue the task of ensuring that the next generation will inherit a land which all Jamaicans will be even more proud to call their own.

May the Almighty continue to bless our nation and to guide our deliberations throughout the years.

/9317

CSO: 3298/197

GOVERNMENT, PNP TRADE BARBS OVER TERRORIST CHARGES

Minister on IYC-Iran Link

Kingston THE DAILY GLEANER in English 4 Apr 87 p 3

[Text]

MINISTER of National Security, the Hon Errol Anderson, last night rejected as "ridiculous" allegations by PNP President Mr. P.J. Patterson that the International Youth Conference in August 1985 was funded by money channeled out of the sale of American arms to Iran.

Mr. Patterson had told Thursday night's PNP meeting at Half Way Tree that an article published in the *Observer* in New York last week Sunday said Jamaica was the latest country to figure in the scandal of funds being channeled out of the sale of arms to Iran.

He said the article stated that the conference, chaired by Mr. Errol Anderson, a former Minister of Youth and Community Development, was conducted with money ordered by Lieutenant Colonel Oliver North, the number two man in the National Security Council at the

White House in the United States.

Mr. Patterson said the youth conference was attended by a Nicaraguan rebel leader. Some youth leaders in the United States "are pressing for this to be investigated by the Senate Committee," the PNP Chairman told party supporters.

In a release last night, however, Mr. Anderson said the suggestion was ridiculous. He said that in the auditor's report of the conference dated September 9, 1985 "is listed the reputable international organisations that made contributions to the IYC. The names have been made public by the Minister and they rule out any possibility of the funding having come in the way that P.J. Patterson would have looked it to. Monies from any questionable source would certainly not have been accepted by the conference organisers..."

PNP-Libyan Link Denial

Kingston THE DAILY GLEANER in English 4 Apr 87 p 2

[Text]

PNP General Secretary Dr. Paul Robertson says a "disgraceful attempt" was made by Minister of National Security Errol Anderson "to smear" the People's National Party with an accusation that a senior PNP official sponsored a visa application by an alleged Libyan terrorist.

In a statement Wednesday, Dr. Robertson said that on hearing of Mr. Anderson's charge, the Party commenced investigations as to the "senior PNP official" referred to. It was discovered who the person was, but the delay allowed JLP propaganda activists to enlarge the distortion by Mr. Anderson.

"The person referred to by the Minister retired from active politics about three years ago but is still a member of the People's National Party. He is not an officer of the Party, has no line responsibility, and is therefore not an official as described by Mr. Anderson," said the statement.

Dr. Robertson said that the person in his private capacity had addressed an audience of university students in the USA about two years ago. During his address, the traditional open invitation was extended to these students "to visit beautiful Jamaica at some time". Dr. Robertson said that despite its electoral defeat in 1980, the PNP — unlike the JLP in Opposition — had not "bad talked" Jamaica abroad and, in fact, actively encouraged tourists to visit and foreigners to invest in Jamaica.

The statement continues that following the address, the person was engaged in informal discussions with a number of students, most of whom asked for his business card. Among them was a young man who identified himself as a Libyan studying International Law. His tutor was a Jamaican, Professor Steve Reid.

The student also called the Professor by telephone and the PNP member held a brief conversation with him during which the Professor confirmed that the Libyan was a student of his.

Nothing was heard from the student until early last February when the person received a letter from an address in Athens, Greece. In which the young man informed him he was engaged to an American girl and that they wished to get married in Jamaica. While his fiancée would have no problem in visiting Jamaica without a visa, he had learnt he needed one for himself and his brother. He had been advised that he could get one if he received a letter of invitation from a Jamaican, and wondered whether the person could do so.

The person called on the Commissioner of Police and provided him with all the information he knew about the Libyan, from his chance meeting with him two years before and from his letter. This information included the name of the Libyan, his occupation, passport number and present address. Similar information as provided to the Commissioner about the brother and fiancée.

Dr. Robertson said that the person acted as a responsible citizen in that because he knew nothing about the Libyan, he felt it was important to bring the request to the attention of the security forces for them to make the necessary security checks before a visa was granted.

The person also informed the Commissioner that he would not reply directly to the Libyan, but would do so to the Jamaican Consul in Athens, Greece, the address of the Libyan, so that the Consul could also arrange for the appropriate security checks.

Following these discussions with the Commissioner, the person sent an open cable to the Jamaican Consul in Athens in care of the British Embassy in that City.

That cable, dated February 2, sent from the Jamintel office in Kingston, said he was inviting the three members of the wedding party, and asked the Consul to facilitate the early issue of these visa for the wedding scheduled to take place later in the month. He did not sponsor the Libyan's request for a visa, as the Minister claimed falsely, and he knew nothing about other plans, if any, by the Libyans to marry Jamaicans to facilitate easy entry to

Jamaica.

He was subsequently telephoned by the Libyan and he referred him to the Jamaican Consul in Athens.

Dr. Robertson charged the Minister with abusing privileged information voluntarily provided by a citizen and in the process maligning the PNP. He said that if such information voluntarily given on his or her own by a citizen is exposed for cheap political expediency, then the Police will be hindered in the future because respectable, law abiding citizens will refuse to assist the Police in the pursuit of their duties and responsibilities, the PNP statement said.

Columnist on U.S. Charges

Kingston THE SUNDAY GLEANER in English 12 Apr 87 p 3

[Vincent Tulloch column "Window on the World": "The Terrorism Scare Story"]

[Text]

THE region has been buzzing in recent weeks with news of unusual Libyan movements and possible security threats to island states directed by Tripoli through regional operatives.

It gained public attention some weeks ago when Venezuela ordered out a Libyan, claiming that it has captured certain documents that outlined Libyan terrorist plans for the region.

Since then, our own National Security Minister has made certain allegations about the action of a prominent Jamaican of officer rank in the Peoples National Party in securing travel documents for two Libyans to enter the country. It was claimed that the Libyans in an effort to gain entry were prepared to use marriage, the facilities being sanctioned by the senior PNP member.

The Peoples National Party has challenged the accuracy of the National Security Minister's statement by pointing to certain misrepresentation of facts, like the position of the Party contact within the Executive and the sequence leading to the Libyans contacting the Party member.

Reference to this particular episode is deliberate, because some very important elements are involved. One is not unaware of the behaviour of the Libyan Government over the past years, however, that should not be the basis for a wholesale 'Libyan bashing' of regional figures and organisations.

Ready to accept

Indeed, the United States Department of State seems to have by coincidence reactivated its terrorism scare story in the region, and it would appear that some regional politicians are ready to accept the Washington line without question.

Given the United States' recent behaviour on the issue of terrorism in the Iranian hostage scandal, Caribbean leaders and institutions rely on Washington for intelligence information should be very careful of how they use information gathered. This is so, since they could well play into the hands of the Americans by turning on their own people and destroy them politically, only to find out later that

they were mere pawns in a much wider game played for Washington's national interests.

Last week I talked to the Chairman of the Caribbean National Movement Hervin Chung. His organisation, though not named in the latest Department of State document, was linked last year along with the PNP as groups with Libyan connections.

Reference to radical groups is clearly aimed at the CNM whose leadership includes St. Lucian George Odium, former foreign minister and Dominican opposition figure Rosie Douglas.

The CNM from my understanding has never disclaimed its relationship with the Libyans but it has always denied any terrorist connection. Indeed, in an interview earlier this year with Chung, excerpts published in the *Sunday Gleaner*, he made it clear that the CNM was nationalist and anti-imperialist. That may not find favour in Washington, but certainly, it should not be the basis for any smear campaign supported by our own regional people.

Well known

The tale of the two Department of State documents on Libyan ter-

rorism in the Caribbean in which an attempt was made to smear the PNP is well known.

Peace and security in the Caribbean is the concern of all. The Caribbean should not be complacent about that, but at the same time every effort should be taken to prevent outside interests from introducing a Latin American type solution — over reliance on the military and externally directed intelligence service — to such problems when they arise.

Those concerned with regional security need to ask some important questions about intelligence reports that are shared, and which they may be encouraged to use for public consumption. The U.S. bungle over the Berlin bombing should serve as a useful pointer in such assessment.

Here in Jamaica, a more open approach to such issues should be demanded. Vague references to documents and the view that because of national security certain details cannot be disclosed, should not be accepted at face value.

Actions in recent years supposedly based on intelligence gathering here, have been questionable. Let's not have any more embarrassing repeats.

/9317
CSO: 3298/197

AGREEMENT WITH IMF BECOMES SUBJECT OF POLITICAL DISPUTE

Minister on Reported PNP Stand

Kingston THE DAILY GLEANER in English 4 Apr 87 p 3

[Text]

MINISTER of the Public Service the Hon. Clifton Stone said yesterday he welcomed the support PNP President Michael Manley had expressed for the Government's recent IMF agreement which included a 10% cap on wage hikes.

In a statement Mr. Stone quoted from an article by Dana Priest in the *Washington Post* quoting Mr. Manley as saying that "he would honour a recent agreement made by Seaga with the IMF, including a 10% cap on wage hikes".

Mr. Stone said: "As Minister responsible for the Public Service personnel, I welcome the support that Mr. Manley has publicly expressed for the Government's programme involving keeping the movement in the Cost of Living (COL) to a low of seven per cent and simultaneously restraining pay increases to a maximum of 10% of the pay package.

"The alternative to this policy would be a devaluation of our currency and severe social and economic hardships on the country, including workers and their families, unemployed, poor and needy.

"It is most helpful to the public sector wage negotiations which are now underway that the head of a major trade union should have pub-

licly expressed support for the policy restraint being pursued by Government, a policy intended to benefit the country as a whole by staving off the disadvantageous further devaluation of the Jamaican dollar.

"I sincerely hope that the leadership of the other unions will find it possible to take a similar responsible approach in the national interest.

"With the firm support of Mr. Manley, his party and his union for the wage restraint policy of the Government, the nation will be well-served, the current wage negotiations should be greatly facilitated and the country will be allowed to continue expeditiously the process of recovery and economic growth."

The Public Service Minister said that Mr. Manley's statement of support for the guidelines "should go a long way to making the bargaining process contemplated... both productive and harmonious".

He pointed out that the pay guidelines which came into force in January of this year seek to reduce further inflationary pressures as well as to foster competitiveness in the country's external trade and growth with low inflation.

Kingston THE DAILY GLEANER in English 4 Apr 87 p 3

[Text]

THE Jamaica Labour Party Government has concealed "vital elements" of the new International Monetary Fund (IMF) agreement from the public, according to Mr. P.J. Patterson, Q.C., Chairman of the People's National Party, who said the agreement called for the imposition of additional taxes.

"This agreement calls for further squeezing of consumers as more and more resources are going to be extracted and less services are going to be provided," he told a large crowd attending an "Election Demand" meeting at Half Way Tree square on Thursday night.

Declaring "I want to show you the agreement in chapter and verse," Mr. Patterson said that Prime Minister Seaga "has concealed from the public vital elements of the agreement; and when you look at the document (IMF Letter of Intent) you will realise that the Budget presentation to come in Parliament is a farce."

He said Mr. Seaga told one of the "greatest lies in recent history" when he told the nation that he did not intend to increase taxes in the new financial year.

Mr. Patterson said: "Telephone and Jamintel rates are going to be increased to bring in another \$61 million. Business licences are going to be increased to bring in \$21 million more, and additional stamp duty is going to rake in another \$25 million."

The PNP Chairman said that since Wednesday the licence for town-off premises increased from \$62 to \$1,000, a village retail licence jumped from \$32 to \$800, a hotel spirit licence increased from \$52 to \$1,000, and a tavern licence moved from \$100 to \$1,000.

Also, Mr. Patterson claimed that a wholesale spirit licence had been increased from \$42 to \$3,000 and the licence for selling liquor in a supermarket was now \$5,000, up from \$140.

"They are going to cut expenditure in the sugar industry by \$59 million. They are going to cut expenditure in the UDC by \$32 million and they are going to reduce expenditure on housing by a further \$30 million," said Mr. Patterson.

He added that the State Trading

Corporation "is going to remove the subsidy on milk powder and discontinue the production of soya oil to bring in another \$33 million."

Stating that Government had agreed to reduce, in real terms, capital expenditure by eight percent for the new financial year, he asked "how can we justify reducing capital expenditure when everything in Jamaica is about to crash and collapse?"

Mr. Patterson said clause ten of the new IMF agreement indicated that if the country's balance of payments situation worsens "and we fall short of our net international reserve targets, a devaluation must take place."

Also, he said, if Jamaica's real exchange rate index rises by over 5.8% from the base level of December last year, a devaluation of the local dollar must take place.

The PNP Chairman said the Prime Minister "is in a desperate gamble and if he fails we are going to be faced with an even more devastating devaluation later on."

Charging that coffee lands, beach lands and property on the North Coast were being sold by the Government, Mr. Patterson warned: "them better watch it because if the agreement is not right the PNP is coming to recover those lands."

President of the PNP, Mr. Michael Manley, was not present at the meeting, but a recorded message from him was played. He said he had been "in a fight with influenza," and added that although he had defeated it his doctors had ordered him "to stay at home for a while."

Mr. Manley said: "As soon as my doctors say go — and I expect it will be before the end of this month — we will be mounting the most massive demonstration even seen in the history of this country. Detailed plans for this have been finalised."

"That will only be number one. If Mr. Seaga remains blind and deaf, then he will be forcing us to continue nationally, regionally, in parishes, in constituencies and in communities."

Several other persons including Miss Portia Simpson, a vice-president of the Party, and Dr. Paul Robertson, General Secretary, also spoke at the function which was incident free.

Government Reply to PNP

Kingston THE DAILY GLEANER in English 9 Apr 87 p 2

[Text]

JAMAICA House said on Tuesday that the Government had been "remarkably open" in disclosing details of the IMF agreement to the public.

A statement by Senator the Hon Olivia Grange, Minister of State (Information) in the Office of the Prime Minister, challenged PNP Chairman P.J. Patterson's assertion that the public had been kept in the dark.

The statement said:

"At the public meeting held by the People's National Party at Half Way Tree on Thursday, April 2, Mr. P.J. Patterson, chairman of the PNP charged that the Government had "concealed from the public vital elements" of the Government's agreement with the IMF.

Mr. Patterson then proceeded to announce coming increases in telephone and Jamintel rates, in stamp duty, and in the cost of business licences.

There can only be one of two possible explanations for Mr. Patterson's extraordinary declarations. Either this was a deliberate attempt to deceive his audience, or he had failed to do his homework prior to making his public presentation.

The fact is that on January 13, Prime Minister Seaga in his statement to Parliament announcing the terms of the IMF agreement with Jamaica, openly announced increases in stamp duties on cheques, promissory notes, bonds and so on as well as business licences. The relevant passage from the text of his speech is quoted below:

"The cost of reducing the maximum import duties to 68 per cent, duties on many raw materials to 10 per cent, providing export rebates of 7.5 per cent, and the reduction of corporate tax rates to 33 per cent, will cost \$173 million. To help offset this cost, the increases of revenue from items previously duty free un-

der incentive legislation, as well as an increase in stamp duties on cheques, promissory notes, bonds, etc., and business licences, will raise an additional \$122 million, or \$50 million less than the cost of the reductions and incentives."

In the light of the Hon. Parnell Charles' statement at the Jamintel's long service awards banquet last Saturday night, recorded in the *Gleaner* of April 6, Mr. Patterson's implication that increases in telephone and Jamintel rates are tied into the IMF agreement amounts to nothing less than playing games with the truth — a rather reprehensible pastime for as seasoned a politician as the Chairman of the PNP.

Mr. Charles states that a request from the Jamaica Telephone Company for rate increases of 90 per cent on overseas calls and 25 per cent on local calls aimed at netting \$61 million "was recorded in the IMF document." However, "the application was not accepted by the Cabinet and instead a 55 per cent increase was granted on overseas calls."

This increase was announced some weeks ago and came into effect on April 1, the day before Mr. Patterson's declaration at the Half Way Tree meeting.

This brief history is a far cry from Mr. Patterson's implication that the hike in rates for international phone calls was an element of the IMF agreement which has been kept from public knowledge by the Government.

Far from 'concealing vital elements' of the IMF agreement, the Government has been remarkably open in disclosing its details to the public.

Mr. Patterson's accusations were publicly stated; so should be his apology."

Clarification of Manley's Stand

Kingston THE DAILY GLEANER in English 13 Apr 87 p 1

[Text]

THE NWU has denied that its President and PNP Leader, Mr. Michael Manley, told the *Washington Post* in an interview in March that he would honour the 10% wage guideline introduced under the recent agreement between the Government of Jamaica and the International Monetary Fund (IMF).

The union made the denial in a statement on Friday. The union was responding to a report in the *Gleaner* of April 4, in which the Minister of the Public Service, the Hon. Clifton Stone, welcomed Mr. Manley's support for the guideline, as reported in the interview with Dana Priest of the *Washington Post*.

The NWU statement said:

"Having regard to the fact that the NWU is on record as declaring its total opposition to the 10% pay guideline announced as part of the recent agreement with the IMF, and Mr. Manley — as both PNP Leader and President of the NWU — has publicly stated his disagreement with the guideline, we are obliged to comment on the report, and the apparent contradiction between Mr. Manley's previous statements and the one he is alleged to have made in the interview."

The union said that a careful listening to the tape recording of the interview gave an entirely different meaning than that which was conveyed in the *Washington Post*.

The statement said that when Ms. Priest asked Mr. Manley, directly, whether he would respect the wage freeze and the IMF agreement, his reply was:

"I would start by respecting the fact that there is an agreement, that we respect agreements and that we treat them as having a sanctity that can only be changed by agreement. This is the rule of the game, so I am not saying that we would necessarily stick with the wage freeze. What I am saying is that when we see the whole agreement we would think through for ourselves whether there was a better way to put the jig-saw puzzle together...."

According to the NWU, it is patently clear from the extracts of the interview that the article "grossly misrepresented the fact of what Mr. Manley said."

"Frankly, this is the kind of poor journalism which leads one to impute motive and which we do not relish and trust never will recur."

The union also accused Mr. Stone of being quick "to jump at what he thought was an opportunity to bolster his bargaining position in subsequent talks with the unions, if not to try and justify the 'virtue' in the guideline."

"The Minister may well be advised that the General Executive Council of the NWU is still opposed to the guideline and so too is the President of the union."

/9317

CSO: 3298/197

GLEANER INTERVIEWS SEAGA ON 25TH ANNIVERSARY AS MP

Kingston THE DAILY GLEANER in English 11, 13, 14 Apr 87 p 8

[Interview with Prime Minister Edward Seaga by GLEANER staffers Franklin McKnight and Wyvolyn Gager at Jamaica House on 10 April 1987]

[Text] Part I

HE SPOKE about how he takes criticism, what gives him pleasure, how his day is organized, about his social and political philosophy. But what came across more than all in the interview with Prime Minister Edward Seaga at breakfast yesterday morning was his desire to serve Jamaica.

Asked what he would have done had his offer to resign as leader of the JLP and as Prime Minister been accepted by the Jamaica Labour Party (JLP) he said, "Well I am not the kind of person who can exist in private life without being a contributor to public life. I can't do that. I would feel unfulfilled. I would feel as if my life was empty and not really of much purpose. I am not an individual who measures ability or progress in life in terms of how much money you make.

"In my opposition years I was very fortunate in that in that period of time I did make a lot of money. Indeed I made enough money that I don't have to work for the rest of my life. But if that was all I was seeking as a goal then I would have ended my career at that particular point."

He then said he is working on a project in Ocho Rios which involves the development of ten acres of land he had bought to build a house.

Now though, he is spending many Saturdays there working on developing a major recreational facility, with a strong Jamaican flavour.

"That is a part of my own fulfilment. I want to show Jamaica as Jamaica really is. Not in a Walt Disney plastic way but the natural beauty, because to me it is the most beautiful country...and the natural beauty of the food and drink of Jamaica and its craft work..."

His imagination began working about how beautiful the property could look and his plans have not stopped changing since then. First it would have been only a garden, open on a few days a week. Then he decided to have Jamaican birds and fishes and later to have food and drink and craft work as well. As the plan grew he had to seek financing from two banks which he said are pleased with the progress of the project.

But given his love for public service and office, would he give up politics if he lost the next election, we asked.

SEAGA: No. As far as West Kingston is concerned, subject to the desires of the people, I intend to continue to be their Member of Parliament until I have reached 34 years (of service), let's say (I want to represent them in Parliament) for another ten years.

He said there was work to be

done in West Kingston which Mr. Seaga said he would like to see concluded. This was particularly the re-development of Denham Town which he said, "is the only ghetto area in the midst of the redevelopment starting from Tivoli Gardens and running right up to Arnette Gardens. Denham Town has been left sticking out like a sore thumb."

He said there was also need for the development of the market area which has expanded taking more vendors and shoppers and a wider variety of products but which has had no major improvements in its facilities for the last 30 years.

He was asked about his political style and the often repeated charge that his was a "big man government" and that he cared little for poor people. He said, "the evidence is that in the 1980-86 period we have spent far larger sums of money in supporting the projects that really affect the poor than any other previous government."

He mentioned the government's Food Stamp Programme; subsidies on basic food with savings from the reduced price of oil; income tax relief to low-income earners; the school feeding programme, and said assistance to the poor and those at risk was over \$400 million in the six years of the present JLP Government.

There was a time when Edward Seaga was described by some as a socialist and a budding communist, a view encouraged or fostered by his now famous speech about the "haves and have-nots". Was he ever inclined that way?

"Socialist and communists believe in the ownership of the means of production from which flows an egalitarian distribution of the benefits of the means of production. I have never subscribed to that in my life. I believe that the only way to make two blades of grass grow where one now grows, to use a well known expression, is by rewarding the individual for his initiative and his enterprise.

"Therefore there is the need to have in place as the basis for the economic development of the country which rewards individual enterprise, a free market system... There is a great difference between my approach and the approach of so-

cialists (and communists) in that I believe in the pulling up process. They believe in the pulling down process... what happens in the pulling down process is that everybody ends up with a greater level of poverty.

"But," he added, "people who were unsophisticated in politics and who had simply the experience of the democratic system, and an essentially free market frame work might see any suggestions about a different way of using the country's resources as a drift towards Socialism or Communism. Thus, he said, when he proposed tax reforms in the 1960s, "I was described by the big man as Socialist."

GLEANER: Are you hurt by criticisms even when you feel certain that what you are doing is right and that people don't yet see where you are going and what you are trying to do.

SEAGA: The word is sometimes "hurt", the word is sometimes "disappointed" sometimes... sometimes you really don't pay much attention it depends on the source from which (it comes) in some instances it is the constitutional responsibility of people to criticize, (in) other instances it is political bias but there are times when the criticism comes from sources which ought to have a better basis of information and on that basis it is a disappointment. When it is hurtful is when you know that the individual is endeavouring to use the opportunity to be critical on the basis of satisfying something personal that he has against you and there are quite a few (such persons) around.

GLEANER: Another common criticism is that you want to do everything yourself, you are a one-man band. You operate a one-man Government and (for example) even want to sign letters that one of your junior officers could do.

SEAGA: On the contrary I am always looking for people to take something off my shoulders. I don't assign or (give) responsibilities to people until I am confident that they can do the job... so that I will often be involved with something taking it along half way and leaving it alone... I look forward to the day when I can be Prime Minister alone.

GLEANER: Sir, why do people like yourself stay so long in public life when you are so often criticized and blamed, sometimes ridiculed, for everything that happens. What is the reward for a job such as yours?

SEAGA: Well, first of all you deal with the criticisms on the basis of always looking at this big picture in your mind as to where you are going, and there are small parts of the picture that are constantly filling out... but as long as the big picture remains intact, the reward is that someday it will be filled out and someday, in retrospect, someone will look back and say that this big picture represents a major change that has taken place...so it is that desire to create change and to set out on a major programme of development that keeps you feeling that there is a reward at the end of the line in what you set out to do.

He said what he wanted to be responsible for, above all, was to make people less dependent on others and on Government. He said dependency of the populist type had been taken well beyond the group of disadvantaged persons — such as the handicapped or those at risk — of whom one could expect dependency.

SEAGA: (Dependency) happens at the highest levels and at the lowest. It happens at the level of the manufacturing community that is seeking always to be protected by the state and it happens at the level of the able-bodied worker who is looking for a contract and so it runs through the whole society as a dependency syndrome. One of the strange things is that the dependency syndrome was never greater than in the days in which self-reliance was supposed to have been the keynote of the policies and programmes of a populist government. There is a need, therefore, that goes with the independence status of the country for individuals to become more independent, for a greater surge to become self employed rather than being only employed.

According to Mr. Seaga true independence was not something that should occur only at the political level but individuals must also become self reliant, and the thinking of the present JLP Government was to help in that process by "removing

a lot of the crutches" (or Government assistance) which was not necessary and re-allocating it where it is necessary, "like for the Golden Age Home, like in the food stamp programme, like in the H.E.A.R.T. programme dealing with youngsters who have no further room for development in the academic world". In providing support for those more at risk than the general population more assistance was afforded to those really in need, he said.

Concern

GLEANER: You spoke about looking at the big picture. What did you conceive of, let's say in 1961 just before you entered the House. Did you see yourself becoming Prime Minister?

SEAGA: My picture at that time was a small one and of necessity it did not have to be a big one at that time. I was purely concerned with developing social, cultural programmes, economic and physical planning, those were my responsibilities...over the Seventies the big picture changed. It was one then of, to a certain extent, survival, because we saw new system of values of the country, a whole new system replacing the basis of ideological belief. We saw an erosion in human rights and we saw the economy collapsing so the picture at that time was one of restoration of a democratic system of damage, of damage control.

Now in the 1980s the picture has had to change to one in which there is restructuring...of the economic system of the country on the basis of which the resources would then flow to enable us to get back to the point where we can evolve more meaningful social and cultural developments and programmes. We are actually at that point in time now where we can see much more daylight in that respect than we have been able to over the past six years.

He said the 1987/88 budget showed that the point was being reached when restructuring was paying off in the large increases targetted for the "social sector".

GLEANER: You have threatened to resign...last year you announced your resignation from the Party and the Government. What were the alternatives. What would you have

gone into if you had left politics as you had threatened?

SEAGA: Let's put this resignation thing straight. First of all in 1974 I took a leave of absence, because I wanted to do some writing, reflecting on my period in the government. I didn't get a chance to settle down because I was called back to take the leadership of the party so there was no question of my resigning at that time. Later in the Smith Commission of Enquiry that was hearing various charges on corruption there were differences (in the Party) and I felt that if that was the way the hearings were being conducted I was not needed as leader. I DID threaten to resign at that time and the position was resolved.

And more recently (last year) the decision that I took was really a genuine one, which I confess, nobody believed, but there is one person who knows that it was the truth and that is my wife, because I told her in September that I had planned to do it in October and I

genuinely felt that maybe the time had come for (I, being) the person who had taken all the heat of the adjustment... I therefore was the person who was the target of any adverse feeling against the Party to step down and keep that heat with him and leave room for somebody else who had not been subjected to that heat because they were not the person who was leading. The Party could then build a new image for the next election and I genuinely felt that this would have aided the party. I didn't count on the party reaction that followed and to the extent I had to eventually review my decision.

Now what would I have done if I had been allowed to resign. Well I am not the kind of person who can exist in private life without being a contributor to public life. I can't do that.

(He then spoke of his Ocho Rios tourism project reported in last Saturday's *Gleaner*).

Part III

It is generally conceded that Prime Minister Edward Seaga is something of a "workaholic." He explained that his daily schedule of work runs from about 6 in the morning when he begins to answer the phone to somewhere near midnight, when having had a small meal he works at things he has taken home from the office. He used to work on Saturdays, too, but now he spends some Saturdays in Ocho Rios working on the development of his property as a tourist attraction.

He said, "I have sort of grown up in a pattern of devotion to what I am doing, that really has robbed me of much of my private life. Now when I say "robbed me", to a certain extent I am the only one to blame but I am one of those persons that is

obsessed by the unfinished job and can't rest until it is done... and to that extent I am to blame for the heavy toll it has taken on my personal life. But to a certain extent, in this position you are not really in command of your life. You don't have a personal life. In this position you are a part of everybody's life and you don't know when the telephone will ring. You can't command your own time. You can't command the hours that you work..."

GLEANER: Despite your heavy schedule, sir, you seem to have been blessed with good health. Is there a particular regime that you follow?

SEAGA: Well, thank God, I have never been in hospital all my life, never been in hospital for a day's attention. I have regular check-ups. The doctors tell me I am embarrassingly healthy... my regime is a rather stark one: a bowl of cereal or fruit for breakfast; at lunch a bowl of soup and then I have a meal in the evening and its usually a small portion type of meal...

GLEANER: Does God play a very big part in your life?

SEAGA: I was confirmed in 1981 (by Canon Herman Spence) in the Anglican faith (which) I was baptized in on December 3, 1930 at Kingston Parish Church, at which time I guess I was about seven months old. Religion to me is both a personal and a private thing... I respect everybody else's creed and indeed at one time I was a student of religion... I am not one of those types who believe that God is only as described by a particular type of faith, but there is a supreme being there who is the overall guide and to Him I acknowledge His guidance, and the considerable role he has played in my life.

He said he considered prayer as self-therapy which gave one the feeling that one was sharing one's problem with someone else. "There must be some power in prayer because I can think of ever so many things I have done which came straight out of the blue." He said he did not "push problems" but just filed, in his brain, components of the problems and then solutions simply came to him at various times. He would then write out the solutions (that came to him).

He said he also got divine insights about things which were not problems such as the design for the re-development of the St. William Grant park downtown. "In this instance the park just came to me in a dream and I woke up the next morning, sketched it out literally on the back of an envelope and sent it down to Gloria Knight (General Manager of the UDC)." He said the design for Tivoli Gardens came to him in a similar way.

GLEANER: Has it come up in your time, in your constituency, let's say, that people have suggested to you the use of violence to achieve anything, and if so what was your response? If not what would your response have been if were to happen?

SEAGA: Violence is something that people resort to when they feel utterly frustrated, and one of the things that led to the heavy incidence of violence in the last decade was the extent of victimization, blatant and open victimization, and that was what made me resolve that we would try to run a Government in which victimization was minimized... I

think we have been able to, to the extent that even my own supporters who are part of the old way of thinking and who felt that now is the time to throw out the PNP supporters out of their jobs have blamed me for not looking after them so much and I have said (to them) 'who is there is there and what comes now is where you can expect to get your benefits'... there has been a remarkable climate existing in the country today of much greater goodwill to each other than has been the case in the past and so you don't really find violence now as a number one priority on the agenda of an individual who lives in the ghetto... because he doesn't feel that somebody is taking something out of his mouth because of political reasons. So if we continue on this path, we will put behind us all that episode of the past violence.

Mr. Seaga was asked whether he was disturbed about the one-party Parliament especially now that he is celebrating 25 years in the House. He said he was glad that if there had to be such a situation it happened while the Jamaica Labour Party was in power. He said in the House now, backbenchers were getting up and speaking on bills; "the cut and thrust of debate" is now from anybody and he was glad that the Public Accounts Committee was functioning.

He said, "There is no question that we have protected the present House as a symbol of democracy and as a place of functioning democracy. What is more there has been no lack of opportunity for persons of different political persuasions to speak either through the media or themselves... so therefore I regard what is happening only as a temporary aberration of the system, a temporary hiatus and logically it will be corrected in due course... but in the meantime I am glad that it happened to us, if it was to happen at all, because I think that if I had taken a similar decision in 1976 (when JLP members were in detention during the elections) that the elected House which would have followed (would) comprise members of one Party. I only shudder to think what would have happened..."

GLEANER: Is there anything that you have done over all these years that you have really regretted?

SEAGA: Yes. I guess in looking back I regretted very much that incident that took place at National Heroes Park (then Race Course) a long time ago in which I very intemperately lost my cool when the Opposition (PNP) was demonstrating. I was infuriated by the fact that they were singing the "Red Flag" at the graves of (National Heroes) Paul Bogle and George William Gordon and I did lose my cool and I think I have always regretted that, but I have learnt from it that in political life if you are going to lose your cool (you should) do it very privately.

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CSO: 3298/197

CARL STONE REFLECTS ON LEADERSHIP OF SEAGA, MANLEY

Kingston THE DAILY GLEANER in English 13 Apr 87 p 8

[Article by Carl Stone]

[Text]

FATE HAS conspired to postpone the expected showdown between Mr. Manley and Mr. Seaga.

Between Mr. Manley's unfortunate illness and Mr. Seaga's running for cover in his hurried "Nicomodemus" style opening of parliament, the much awaited PNP show of people force could not materialise.

The inability of the PNP to carry through its planned mobilisation in Michael's absence is a sober reminder of how much the personality and charisma of the man is the centre piece of PNP opposition strength.

Instead of clashing in the streets, Manley and Seaga met quietly and cordially at Michael's bedside.

Much is being made of Mr. Seaga's 25 years as an MP and rightly so as he has served his constituents and the country with considerable achievements to show for it.

Let us not, however, forget that this year will also mark Manley's 20th year as an MP representing Central Kingston.

When the recent history of the country is written both men will be seen as standing tall in the roles they have played in Jamaica's development.

A replay

In an odd way, Seaga and Manley are virtually a replay of the contrast in leadership styles between Man-

ley's father and Busta. Norman Manley was an intellectual and a technocrat who was somewhat distant from the Jamaican people and totally absorbed in detailed technocrat task. He did not have the charisma of Busta, although he was greatly loved and respected. Bustamante captured the peoples imagination and had an incredible ability to mesmerise the masses.

Manley had inherited his father's intellect but like Busta he is a people's man first and is seen as a caring leader whose passion is to defend the masses. Seaga does not have the intellectual brilliance of a Norman Manley but like Norman he operates like a technocrat who loses himself in the details of getting things done and is similarly remote and distant from the people.

Both Michael and Seaga have had leadership responsibilities to carry throughout the last two decades of Jamaica's economic crisis that no earlier leaders have ever had to bear. They have both thrown themselves totally into rigorous and exacting hours of work that are unmatched by anyone I know in the private sector.

Seaga, of course, has had a longer experience in government having served as a minister in the 1962 to 1972 JLP stay in power before his current seven-year stint which he seems determined to extend into 1988, although the people are not likely to renew his mandate to govern.

Both men are the last of the second generation of maximum leaders who like their first generation predecessors have dominated our major political parties and the governments they have run. Indeed, it would not be an exaggeration to say that Michael created a virtual presidential style of governing in the 1970's which Seaga has continued.

When they leave the scene, that type of dominating maximum leader will become extinct as there are no successors on the horizon in either party with any real chance of exerting the level of dominance Michael, Eddie, Busta and Norman Manley exercised over party and government in this country.

The political magic of Michael Manley has little to do with his rhetoric. It is grounded on the fact that the people believe that he cares. Busta was a horrible speaker yet he evoked the same type of emotional response that neither Seaga nor Norman Manley have evoked to the same level.

Doubts about Seaga

It has been Mr. Seaga's singular failure as a leader since 1980, that most Jamaicans entertain doubts about whether he really cares. His track record suggests that he does but his role as a hard-nosed finance minister administering all kinds of harsh and seemingly heartless austerity medicine has buried all of that.

I am therefore not surprised that he has used his 25th anniversary in representative leadership to try to remind the country of that track record.

I have been watching politics and politicians since I was ten years old in 1950 growing up as I did in Eastern Kingston.

All prominent politicians have their detractors and their fanatical supporters. But in my judgment, among the giants who have led our politics, Michael has been our most popular party leader and Seaga the least popular.

Seaga is one of the most disciplined and hard working persons I have ever met and although I don't like his politics, his sincerity cannot be faulted. He is absolutely fascinated with the challenge of making things happen, of straightening out problems and of implementing

new ideas. He is a nice person when you meet him on a one-to-one level but he is a hard taskmaster who demands results and high performance from those around him.

Seaga's strengths are also his weaknesses. He gets bogged down in administrative details and often loses perspective in terms of the wider picture of where his policies are leading us. He is impatient for results and ends up taking on too much and making some bad decisions because he has to have the final say in too many matters. The thing I dislike most about Eddie is his inability to objectively deal with criticism. As he himself admits in his *Gleaner* interview, he has a bad tendency to view critics as having something personal against him. His handling of that recent RJR affair is symptomatic and typical of his unfortunate streak of intolerance.

Michael like Eddie has his strong and weak points. Among contemporary leaders worldwide, he is one of those with the sharpest intellects, with an incredible ability to grasp and articulate ideas. He is of course the foremost communicator our politics has produced, with an extraordinary capacity to motivate people.

Unlike Seaga, Michael is not a details man and a lot can go sour around him before he has a clue as to what is happening. He gets carried away with audiences and oratory and will commit himself on impulse without thinking through the full implications of a position. This is in contrast to Seaga who cautiously considers every angle before he makes any move.

Complementary

Both men are remarkably complementary in the skills and talents they possess and its only a pity that competitive politics has placed them in adversary roles.

A combination of Eddie and Michael on the same team would indeed be formidable although it is doubtful if they would last together any longer than Busta's brief political alliance with Norman in the early Forties.

Both leaders have served the country well in different ways but the country has to grow up and begin to understand that Jamaica is not Michael's show or Eddie's show but a collective effort. It is not Eddie

or Michael who fail or succeed but Jamaica as a country. Their leadership can go but so far if the people refuse to rise to the challenges of the contemporary period. Too often, too many of us, including those who know better, blame most of the country's ills on these leaders, as if they can solve problems by waving magic wands.

As we reflect on their contributions, the time is ripe for the parties to take stock of the leadership they have in place to succeed them. It is the view of many Jamaicans that the quality of that leadership in both major parties leaves a lot to be desired.

On the PNP side some persons see the party leaders as being passengers on Manley's boat, with no distinctive public image or credibility. Some worry as to whether they care or are as committed to the country as Michael. Others worry about the competence of the PNP leadership to form a strong government. On the JLP side, there are many persons with considerable political strength at the grass roots level and strong organisational leadership (Charles, Golding, Broderick, Shearer etc.) but government policy-making seems to be dominated by Seaga and his brother-in-law Hugh Hart. Except for Shearer the political strength of these sec-

ond rank JLP leaders does not translate into clout in policy-making.

Need exposure

The PNP has some good people in their line up but they have neither visibility nor presence in the arena of national politics. Among the younger set, Easton Douglas, Claude Clarke, Jigs Ennis, Sam Lawrence, K.D. Knight, Bobby Pickensgill, Carlyle Dunkley, and Dr. Ford are persons of ability and competence but like Michael Manley in the late 1960's they need more exposure in the wider arena of national politics. Among the older set, David Coore is a brilliant mind who can match Seaga any day of the week in his knowledge of finance. P.J. Patterson, Kenny McNeill and Carl Rattray are men of proven competence and experience and Horace Clarke, Mullings, Pringle Ramtallie are hard working and competent.

Portia Simpson is, of course, a political heavyweight who combines the appeal of an attractive woman with the Busta "people touch", mixed with an incredible shrewdness and an ability to learn fast.

Like so many Jamaicans across the country this column wishes Mr. Manley a quick and full recovery from his illness.

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CSO: 3298/197

SHEARER OUTLINES DEVELOPMENT PLANS FOR MONTEGO BAY AREA

Kingston THE DAILY GLEANER in English 10 Apr 87 p 2

[Text] Deputy Prime Minister Hugh Shearer has catalogued a number of developments already in place or soon to be implemented in the Montego Bay area aimed at widening the economic base of the region.

Giving the keynote address at an investment seminar for Western Jamaica, organised by the Caribbean Applied Technology Centre, at the Wexford Court Hotel in Montego Bay on Wednesday, Mr Shearer reiterated that Government was committed to strengthening and expanding development already existing in the area.

Noting the transformation taking place in tourism on which the region and Montego Bay in particular depend, Mr Shearer said this was opening up major investment opportunities for astute investors. He pointed to the development of a wider range of attractions and said the JNIP was working alongside the National Heritage Trust to identify a range of historic sites with potential for development in this area.

The Deputy PM said the Tourism Advisory Council was also looking at the various components that make up the industry with a view to recommending to government initiatives to stimulate additional investments in the sector.

Attention is now being directed at developing prime tourism lands owned by the UDC along the Montego Bay waterfront and in Rose Hall as well as in Negril. Also, said Mr Shearer, two major US corporations are currently in Montego Bay looking at a number of sites for development. He did not name the corporations or their areas of interest.

Mr Shearer urged the private sector to act expeditiously in maximising the opportunities being created by an expanding tourism industry and create additional employment.

He spoke also of the growth taking place in other industries that were being added to the economic base. There are 22 garment factories in the region employing over 4,000 people, four data entry firms employing another 1,000 workers, and only this week a pioneer export electronics venture was reopened in Montego Bay, Mr Shearer said.

Factory space is to be expanded considerably in Glendevon, Montego Free Port and the Montego Bay Free Zone where 27,500 square feet of space is currently under construction and plans are in progress for a further 240,000 square feet of space on an additional 12 acres of land recently acquired.

A small industrial complex is to be built adjoining a 50,000-square foot apparel factory at Sandy Bay and the UDC is to build more factory and houses at Catherine Hall.

Mr Shearer said the Port of Montego Bay is to be rehabilitated and expanded. To this end, the 20,000-square foot warehouse which was recently destroyed by fire is to be rebuilt at a cost of \$2 million.

Another \$2 million is to be spent by the Port Authority repairing the berths and groynes, paving of additional lands and providing improved security. In addition, funding is now in place from the European Investment Bank for a new 1,600-foot berth, a 20,000-square foot terminal building, parking area and beautification to cost \$60 million. Work is to start in July and last for 12 months.

Mr Shearer pointed to other initiatives being taken by government to stimulate growth in the western region and noted that there was heightened confidence in the private sector. He called on the business sector to encourage the development "and aid in the movement of this optimism and confidence into tangible results for employment and production."

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EXPENDITURE ESTIMATES FOR CURRENT FISCAL YEAR PRESENTED

Details of Proposal

Kingston THE DAILY GLEANER in English 10 Apr 87 pp 1, 3

[Text]

THE GOVERNMENT of Jamaica has budgeted to spend \$6.9 billion during this financial year, according to the Estimates of Expenditure tabled in the House of Representatives yesterday.

Next Tuesday, Wednesday and Thursday the Standing Finance Committee of the House will meet from 10.00 a.m. each day to examine the allocations to the various ministries and then report back to the House at which time Prime Minister Edward Seaga will open debate on the Budget and explain to the country how it is proposed to finance the expenditures.

This year's Budget is 19.8 per cent larger than last year's when the amount approved was \$5.8 billion. For Recurrent expenditures the allocation is \$4.1 billion or 13.7 per cent more than last year. And on the capital side the provision is \$2.8 billion or 29.9 per cent more than the 1986-87 financial year.

As is customary the Ministry of Finance and Planning gets the major share of the allocations with 50.8 per cent. During the course of the year a substantial part of this allocation will be transferred to other ministries and departments, however. On the Recurrent side the Ministry gets \$1.9 billion and on the capital side \$1.5 billion.

The Ministry of Education with 10.2 per cent gets the next highest emphasis. More than \$615 million is provided for housekeeping expenses, an increase of 18.5 per cent. The sum of \$97.2 million is provided for capital projects, a very substantial 42.6 per cent over last year.

The Ministry of Health also fares well with six percent of the Budget. It gets \$357.7 million for housekeeping expenses, an increase of 15.5 percent; and \$63.6 million for capital projects, an increase of 42.2 percent.

The Ministry of National Security also comes in for good treatment with an allocation of 5.9 percent of the Budget. The sum of \$377.8 million has been allocated for recurrent expenses and \$35.6 million for capital works.

Emphasis has been placed on capital outlays by the Budget. For instance the allocation for capital development in the Ministry of Agriculture is up by 42.6 percent at \$153.8 million. The Ministry of Construction is also up by 40.5 percent at \$288 million.

But the biggest increase is in the Ministry of Local Government where the increase in capital expenditure is of the order of 1,290 percent at \$139.4 million. This reflects the shift of the National Water Commission to this ministry from the Ministry of Public Utilities.

The Ministry will be buying a fire boat for the KSAC, water tankers, garbage units and heavy duty service trucks. It will also be buying fire fighting equipment and equipment. Work will also continue under the Greater Mandeville Water Supply Project, the water and sewerage project in the Corporate Area, and the Castleton Water Supply project where a pipeline is being put in to supply six million gallons of water to supplement the Hermitage Dam.

Guys Hill, Mocho and Spanish Town should also benefit from better water supplies as provision is made in the budget for such development. So too should the people in South Clarendon, South Manchester, South Trelawny and parts of St. Ann. These water supply schemes will be supplemented by a tank building programme.

The amount of \$2.5 million has been provided in the Ministry of Construction to finance urban and rural settlement improvement projects, as well as \$5.5 million to provide low cost houses for selected depressed communities.

The Ministry of Public Utilities and Transport has been given \$69 million to continue improvements at the two international airports.

And \$5.7 million will continue the Rural Electrification Programme.

Under the Ministry of Tourism there is a provision of \$26.5 million as a grant to Jamaica Vacations Limited and \$1.3 million to Jamaica Reservations Services Limited. Milk River Baths and Bath of St. Thomas the Apostle also get grants for refurbishing and meeting anticipated losses. Milk River gets \$100,000 and St. Thomas \$150,000.

And \$875,000 goes as a grant to Jamaica Attractions Development Company. The Jamaica Tourist Board is allocated \$170 million.

Through the Ministry of Agriculture \$6 million is provided for the development of land settlements. And the sum of \$68 million has been provided for the Blue Mountain Coffee Project, a joint project with Japan.

The Second Sugar Rehabilitation Project to increase sugar production and the overall financial viability of the industry gets \$15 million. It is a six-year project and will have total costs of \$290 million.

Refurbishing and upgrading of health care institutions is expected to cost \$6 million this financial year. The sum of \$8.3 million has been set aside to finance the building of the Public Health Laboratory.

Budget Highlights

Kingston THE DAILY GLEANER In English 10 Apr 87 p 1

[Text]

BUDGET HIGHLIGHTS

	1987/88 (\$ million)	1986/87 (\$ million)	% change
Recurrent	4,141	3,641	13.7
Capital	2,825	2,175	29.9
TOTAL	6,966	5,816	19.8

MAJOR MINISTRIES

Finance & Planning

Recurrent	1,977	1,735	13.9
Capital	1,566	1,314	19.2

Education

Recurrent	615	519	18.5
Capital	97	68	42.6

Health			
Recurrent	358	310	15.5
Capital	64	45	42.2
Agriculture			
Recurrent	82	64	28.1
Capital	154	108	42.6
Construction			
Recurrent	74	76	-2.6
Capital	288	205	40.5
Local Government			
Recurrent	109	121	-9.9
Capital	139	10	1,290.0

The above table shows the Government's emphasis on capital projects which are increased substantially. Recurrent or housekeeping expenditure is up significantly in real terms averaging almost twice the projected inflation rate of 7%.

GLEANER Comment

Kingston THE DAILY GLEANER in English 14 Apr 87 p 8

[Editorial]

[Text]

In the Estimates of Expenditure for the 1987-88 fiscal year, tabled in the House of Representatives last Thursday, the Government has proposed to spend just over \$6.9 billion, or approximately \$1.2 billion (19.8 per cent) more than the original budget of \$5.8 billion for the fiscal year just ended. Using the rate of inflation of 7 per cent being targeted for the 1987-88 fiscal year (or even the 10.4 per cent out-turn last year) the budget represents a very real increase.

A main feature of the estimates is its emphasis on capital expenditure. Of the projected outlay, recurrent expenditure, at \$4.1 billion, shows an increase of 13.7 per cent over 1986-87 to account for 59.4 per cent, compared with 62.6 per cent last year. On the capital side the provision of \$2.8 billion represents an increase of almost

30 per cent, taking its share of the budget to 40.6 per cent, up from the 37 per cent last fiscal year. The Government has been stressing its attention to economic expansion and growth, and with a target of two to three per cent for this year it requires strong support in capital expenditure.

Moreover, in addition to the provisions for the completion of capital projects under its structural adjustment programme, there is the need to correct the deliberate neglect, over the past years, in essential areas such as education, health and agriculture. The substantial increase in the capital provisions for the Ministries of Agriculture, Construction and Local Government seems to support the new direction. In the case of the latter its capital budget has moved from 7.6 per cent of its total

allocation in the 1986-87 fiscal year to 56 per cent this year.

As usual, the Ministry of Finance accounts for the major share of the budget with \$3.5 billion, 55.8 per cent of which will be assigned to recurrent expenditure. The proportion is marginally less than the 56.9 per cent this category of spending absorbed last year — presumably a reflection of the Government's stricter control of public sector spending.

Another feature of the expenditure budget is its emphasis on rural development. The 42.6 per cent in the capital vote to Agriculture and the very significant increases to Local Government, Construction and Health, are identified with rural development projects and services, agricultural production, expansion of water supply, road improvement and rural settlement upgrading, all of which should help to improve the quality of life in rural townships and communities.

The budget is, however, most ambitious, and raises the question as to how the Government will finance the large outlay. There are several imponderables that could limit the actual expenditure. The Government, under its

programme with the IMF, is committed to reducing the overall fiscal deficit to about 3.3 per cent of Gross Domestic Product. It means, therefore, that it cannot relax its control of spending as any such development could trigger a return to more austere measures. In the past year the Government was able to achieve the reduction in the deficit largely through the vast improvement in tax receipts. It appears to be projecting for an appreciable improvement in revenue over the 1986-87 level to be able to undertake the substantial outlay and at the same time achieve the deficit target.

Over the past year the Government achieved new heights in tax collection, particularly from the steep tax on savings interest which, according to the IMF Staff Paper, has completely offset any losses from the reduction in the income tax rate. However, the Government must be careful that it does not seek to take too much too quickly, thus inhibiting private sector investment. For it is the investment which must create the employment, the income and above all the real growth in GDP, the centrepiece of Government economic policy.

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CSO: 3298/197

1986 IMPORT FIGURES SHOW DROP COMPARED WITH 1985

Kingston THE DAILY GLEANER in English 10 Apr 87 The Financial Gleaner p 1

[Text]

TOTAL IMPORTS fell by 14.6 percent for the year 1986, compared with that of 1985. This amounts to a decline of U.S.\$167.2 million (J\$919.6 million) from U.S.\$1,143.6 (J\$6,289.8 million) in 1985 to U.S.\$976.4 million (J\$5,370.2 million) in 1986.

This significant fall-off in the value of total imports for the year reflects primarily a U.S.\$169.3 million (J\$931.2 million) reduction in the value of fuel imported from U.S.\$367.8 million (J\$2,022.9 million) in 1985 to U.S.\$198.5 million (J\$1,091.8 million) in 1986, a fall of 46.0 percent. This dramatic cut, almost in half, of the fuel import bill reflects principally lower oil prices.

Raw materials imports declined sharply by 24.5 percent in 1986, reflecting the lower fuel import bill plus a modest decline of U.S.\$4.1 million (J\$22.6 million) in other Raw Materials.

Capital Goods imports also went down, recording a 12.9 percent fall-off amounting to U.S.\$36.5 million (J\$200.8 million) from the 1985 level of U.S.\$282.5 million (J\$1,553.8 million). The decline in Capital Goods imports flowed out of a 31.7 percent fall in imports of Transport equipment and a 13.4 percent decline in imports of Other Machinery.

Consumer Goods imports recorded a substantial increase of 27.0 percent, an increase of U.S.\$42.7 million (J\$234.9 million) to achieve U.S.\$200.9 million (J\$1,104.9 million) in 1986. Food imports were up by 18.4 percent and Durables by 7.8 percent.

There was, however, a very substantial increase in consumer Non-

Durables which went up by 60.9 percent to achieve a level of U.S.\$65.8 million (J\$361.9 million) in 1986. This is an increase of U.S.\$24.9 million (J\$136.9 million).

IMPORTS

(U.S.\$ Million)

	<u>Change</u>		<u>1986</u>	<u>1985</u>
	<u>Amount</u>	<u>%</u>		
<u>TOTAL IMPORTS</u>	-167.2	-14.6	976.4	1,143.6
<u>CONSUMER GOODS</u>	42.7	27.0	200.9	158.2
Food	15.1	18.4	97.2	82.1
Other Non-Durables	24.9	60.9	65.8	40.9
Durables	2.7	7.8	37.9	35.2
<u>RAW MATERIALS</u>	-173.4	-24.5	529.5	702.9
Fuel	-169.3	-46.0	198.5	367.8
Other	-4.1	-1.2	331.0	335.1
<u>CAPITAL GOODS</u>	-36.5	-12.9	246.0	282.5
Construction	0.3	0.5	55.5	55.2
Transport	-17.8	-31.7	38.3	56.1
Other Machinery	-22.1	-13.4	142.3	164.4
Other Capital	3.1	45.6	9.9	6.8

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CSO: 3298/197

ALLEGED LIBYAN TERRORIST HAD 24-HOUR STOPOVER HERE

Port-of-Spain TRINIDAD GUARDIAN in English 9 Apr 87 p 1

[Article by Francis Joseph]

[Text]

SUSPECTED Libyan terrorist organiser, Abdul Salim Ashur, deported by the Venezuelan authorities, spent 24 hours in Trinidad last month.

National Security Minister, Senator Herbert Atwell, said yesterday he was aware of the presence in Trinidad of the Libyan.

Senator Atwell confirmed that Ashur arrived at Piarco International Airport and spent 24 hours here. "I know when he came, where he went, and with whom he spoke."

The Minister said neither he nor the Government was alarmed at the fact that Ashur was a Libyan national, and that he had spent some time in Trinidad. He said he was in possession of vital information.

Venezuelan authorities said Ashur was in possession of plans to support radical groups in Trinidad and Tobago and other Caribbean and South American countries.

According to a Cana report yesterday, the Venezuelan authorities found Libyan plans for subversion in French Guiana, Suriname, Haiti, Jamaica, Trinidad and Tobago, and other unnamed Caribbean countries during their deportation of the suspected terrorist organiser.

But Senator Atwell said he was not aware of any plans for subversion in Trinidad and Tobago. "All this is news to me," he commented. The Minister was not surprised that the Venezuelan authorities had revealed Ashur's plans.

The Venezuelans said Ashur was carrying documents containing plans for financing and arming radical groups in the region. The plans included codes referring to shipments of money, explosives and passports.

The report said the funds were to be distributed through the Libyan People's Bureau (embassy) in Panama where Libyan presence is strongest. Arms were to be purchased in Brazil for dissident groups in French Guiana and Suriname.

There were also plans to send Latin American terrorists to Libya for training, according to the Cana report.

Minister Atwell confirmed that increased patrols were instituted at Piarco and all sea ports. "The increase did not come about because of this report, but because of the increase in the flow of arms, ammunition and drugs into the country. But we are keeping a close watch on this."

VENEZUELA MOVES AGAINST FISHERMEN; AIR SERVICE DELAYS HIT

Areas of Cooperation

Port-of-Spain TRINIDAD GUARDIAN in English 28 Mar 87 p 1

[Text]

EXTERNAL Affairs Minister Basdeo Panday yesterday announced new areas of co-operation with Venezuela, including fixed retail prices for seafood and new co-operative patrolling for drug trafficking in common waters.

Panday told Parliament the suggestions stemmed from a meeting of the two countries' joint fisheries commission.

The Trinidad and Tobago Coast Guard and the Venezuelan National Guard and Navy have scheduled four exchange visits in the next two months, aimed at improving co-operation over patrolling the shared waters South of Trinidad and North of Venezuela allegedly frequented by drug traffickers.

Mr Panday did not elaborate on the type of co-operation recommended.

Report on Shots, Beatings

Port-of-Spain TRINIDAD GUARDIAN in English 7 Apr 87 p 6

[Text]

SAN FERNANDO — THREE FISHERMEN from Icacos were held up by Venezuelan guards yesterday afternoon in the Coquina area in Venezuelan waters, deprived of their shrimps and were beaten, according to a report from Icacos.

A spokesman said that the fishermen were shrimping legally when three Venezuelans surrounded them and used an oar to inflict the blows. The guards took away about 25 pounds of shrimps.

One fishermen received several blows to the head, while the other two suffered injuries to other parts of their bodies.

Machine Guns

Before the incident, several shots were fired from what are believed to be short handle machine guns at other Trinidad boats. They were forced to head for home.

The spokesman said: "It was the first time in several months that shots were fired at our fishermen. It was also the first time in the past few years that anyone was beaten."

The fishermen said they are prepared to make a report to Minister of External Affairs, Basdeo Panday, concerning the incident.

Seizure of Boats, Men

Port-of-Spain DAILY EXPRESS in English 9 Apr 87 p 3

[Text] **SEVERAL pirogues belonging to Cedros fishermen were seized by the Venezuelan Coast Guard on Tuesday and are being held, along with 17 fishermen, at Pedernales.**

It was the second incident this week in which Venezuelan authorities had clashed with Trinidad fishermen, the first having occurred on Monday when part of the catch of some four fishermen was allegedly taken from them and they were beaten.

Minister of External Affairs Basdeo Panday has conveyed his grave concern over the incidents and the damage being done to the relations between Trinidad and Tobago and Venezuela to the charge d'affaires at the Venezuelan Embassy in Port of Spain, Domingo Llanos-Aldrey.

Venezuelan Ambassador Maria Clemencia Lopez is out of the country.

The men detained by Venezuelan authorities are Raymond Jules, Ricky Sooklal, Cyril Gajadhar, Donald Sookdeo, Kenny Ramnath, Don Joseph, Christopher Baboolal, Ken John, Levi Baboolal, Curtis Sooknanan, Benjamin Mohammed, Stanley Lawrence, Kenny Ramcharitar, three other men who were described as sons of Benessar Jagessar (who were in the family boat) and Tony Edwards. All are being detained at Pedernales.

The boats involved were *Rachael*, owned by Jules, Gerald Bharat's boat, *Amus*, Imran Ramcharan's

Peter II, Essook Ali's Mullah and a boat owned by Gajadhar.

The Ministry of External Affairs has been in contact with the Trinidad and Tobago Embassy in Caracas and foreign service officer David Edghill is investigating the matter in an attempt to secure the release of the fishermen and to report back to the Minister on his findings.

The Minister also disclosed that efforts were being made to contact Venezuelan Foreign Minister Simon Consalvi and Vice Admiral Carlos Pulido Salvatier to ascertain the reasons behind the detention of the fishermen as well as to confirm or deny the reports of the alleged beatings which took place on Monday.

Panday Reaction

Port-of-Spain TRINIDAD GUARDIAN in English 10 Apr 87 p 1

[Text]

SAN FERNANDO — VENEZUELAN authorities released yesterday the crews of the six boats seized on Monday but kept the captains and boats.

The crews returned to Icacos and Cedros yesterday and complained they were thrown in jail in Pedernales and ill-treated.

When told of the complaints, External Affairs Minister Basdeo Panday expressed concern and promised to lodge a protest with the Venezuelan Government.

Up to late yesterday the Minister was still trying to get in touch with Venezuela's Foreign Minister, Simon Consalvi, to discuss the arrest and detention of the men and boats. He also was in contact with the Trinidad and Tobago Embassy in Caracas seeking release of the captains and boats.

Strain On Relations

A spokesman for the men who returned home said the captains were sent to Guiria for further investigations. He said:

"This is a very serious matter. The captains are really in trouble."

When told the men were ill-treated, Minister Panday said such incidents could strain relations between the two countries, but hoped this would not happen.

The fishermen were picked up by the Venezuelans on Monday morning while shrimping in the Coquina area in Venezuelan waters. They claimed they were shrimping legally since their boats have permits.

Port-of-Spain DAILY EXPRESS in English 15 Apr 87 p 1

[Article by Sheila Rampersad]

[Text]

TWO PASSENGERS, one suffering from hyperthermia, and the other from hyperventilation, had to be treated at a hospital in Margarita following a 26-hour delay at Porlamar Airport at the weekend.

Four other passengers have formed a committee to investigate the delay of several Linea Aeropostal Venezolana (LAV) flights to Piarco.

One passenger said he was outraged, blaming LAV for the lengthy delay. The travel agents involved, Constellation Travel Service, Caracas Travels and M&M Tours, "are also to be blamed," he charged.

"At one point we were told by the airport officials that four aircraft were at Piarco and the pilots were not given permission to leave the airport."

He added that when the cafe concessionaire realised what was happening, he raised the price of food.

"A cup of coffee went from two bolivars to seven; a ham sandwich cost us 42 bolivars. The concessionaire did not even want to give mothers hot water to make food for their babies," he added.

The first LAV flight bound for Piarco finally left Margarita at 7 p.m. Monday, instead of the scheduled 11.30 p.m. Sunday. Passengers scheduled to leave Caracas for Piarco faced similar difficulties.

Dr Chandrabhan Gopaul said he was supposed to leave Piarco for Caracas at 1.15 a.m. last Thursday but did not leave until seven o'clock Friday morning. He said he got to Maiquetia Airport at 5.30 p.m. Sunday but did not leave until 2 p.m. Monday.

"Just before midnight on Sunday, the guards made us line up and gave us the impression we were leaving," said Dr Gopaul. "Because the passengers were irritable and did not make a single file, the officials apparently got vexed and slammed the door shut."

He said passengers were told by LAV officials that they had not obtained permission from the Venezuelan authorities to lift off. They were later told they had to wait until 9 a.m. Monday.

"The guards told us we could not leave the airport," recounted Dr Gopaul. "At one time they told us to stand behind the yellow line and when some of the passengers did not comply, they were pushed back."

Senator Donna Prowell, among those delayed in Caracas, said she and a few other passengers planned to take legal action against M&M Tours and Constellation Travel Service. She said they were also communicating with External Affairs Minister Basdeo Pandey to request an explanation from the Venezuelan authorities.

Panday Threat

Port-of-Spain DAILY EXPRESS in English 15 Apr 87 p 1

[Text]

MINISTER of External Affairs Basdeo Panday has said that if it comes to light that Trinidadians were mistreated in Venezuela, his Ministry would launch a full-scale investigation. Panday was speaking to the *Express* following complaints from nationals that they were delayed, under guard, in Caracas and Margarita for over 24 hours.

The Minister said he had received no official word on the incident but noted that he did receive a call from Senator Donna Prowell, who was delayed in Caracas.

William Chin Aleong, an official of Lazzari and Sampson, general sales agents for Linea Aeropostal Venezolana, said the airline would be using five additional aircraft for the Easter weekend to cope with increased bookings. He said eight flights to Venezuela were scheduled for tomorrow night. He reiterated that the delay was due to "technical difficulties," adding that every effort had been made to accommodate the passengers at Piarco during the delay.

Although he gave the assurance that the improved service for the Easter holiday would continue, he said the airline would be operating its regular aircraft following the Easter holiday.

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CSO: 3298/198

PNM IN REORGANIZATION MOVES, GEARING UP FOR ELECTIONS

Formation of Area Committees

Port-of-Spain DAILY EXPRESS in English 6 Apr 87 p 2

[Article by Anthony Milne]

[Text]

PLANS for the reorganisation of the opposition People's National Movement (PNM) include the division of the country into nine supervisory areas, each incorporating four constituencies, to be looked after by individual area committees and managers.

The move was announced at a special meeting yesterday morning at Balisier House between 143 representatives of 28 constituencies and Political Leader Patrick Manning, the *Express* has learnt.

Among area managers, reportedly already appointed, are Wendell Mottley, Marilyn Gordon, Cecil Pinder, Martin Joseph as well as Senators Kenneth Valley and Winston Moore.

Yesterday's meeting discussed not only reorganisation of the party, which has its eyes on the local government elections possibly in July or August, but also amendments to the party's constitution which will be considered at a special convention next Sunday, April 12.

The PNM Convention, to take place at the San Fernando Technical Institute from 1 p.m., comes one day after a special constitution conference of the National Alliance for Reconstruction on Saturday, when that party will also discuss amendments to its constitution.

The PNM's new area committees are to submit reports on party groups and constituency groups in each area to the political leader by May 3.

After Sunday's convention there is to be a series of seminars in each of the nine supervisory areas at which Manning will speak.

The *Express* understands that one amendment to be proposed for the PNM constitution on Sunday is an increase in the initial membership fee from the present \$1 to between \$5 and \$15, and an increase in monthly dues, now 50¢, as well.

Another is the streamlining of procedures for the issue of party membership cards, now subject to time-consuming bureaucratic constraints.

The idea is to give applicants temporary membership cards as soon as they become members, with a permanent card issued later on.

A team led by Martin Joseph which has been preparing a report called "An Analysis of the Results of the 1986 General Election: A Lesson for the Future" are expected to submit their findings to the special convention on Sunday.

Increase in Dues

Port-of-Spain SUNDAY GUARDIAN in English 12 Apr 87 p 25

[Text]

OPPOSITION People's National Movement is raising its membership fees by 300 per cent - from 50 cents a month to \$6 a quarter.

The proposal is contained in the party's plans for reform of the constitution approved by the General Council.

This reform is the main topic for discussion at today's special convention at the San Fernando Technical Institute.

Unfinancial Persons

The proposals also include increasing the application fee for membership from 50 cents to \$5.

Drawing attention to the need for the increase of dues, the General Council observed that the compulsory nature of the dues "gives rise to unfinancial persons being debarred from, among other things, holding office or voting in certain circumstances."

"The financial realities of the party and the financial realities of a number of members existing and proposed seem to conflict.

"In all the circumstances, it is now being proposed that the new dues be set, and all reference to unfinancial members be deleted from the Constitution."

Percentage Of Salaries

Proposed change also calls for the Legislative group members to pay seven and a half percent of their salaries to the party.

The Legislative Group, comprising the PNM's three members of the House of Representative, six Senators, four mayors and deputy mayors, PNM chairmen and vice-chairmen of county councils, have already approved the proposal.

Party Policy

Constitution amendment also provides a new role for the Policy Committee which will comprise the political leadership, one representative of the Youth League, and five members selected by the political leadership, including a representative from local government bodies.

According to the proposals, there is need to review all party policies and to keep them under continuous review.

There are also proposals to change the composition of the General Council so that while the party is in Opposition parliamentarians would be ex-officio members.

Preparations for Local Elections

Port-of-Spain TRINIDAD GUARDIAN in English 14 Apr 87 p 14

[Article by Norris Solomon]

[Text]

THE OPPOSITION People's National Movement (PNM) is preparing itself for local government elections. And while it has made no definite plans towards a campaign, the party is making itself "ready" to contest.

Party officials explained yesterday that while no date is set for local government elections, the PNM was preparing itself to contest any election that may be called.

Opposition Role

A senior party official explained that the PNM was prepared to organise and contest whenever the local government elections are called, further explaining that while there were no plans for a party convention in the immediate future, the party was "in gear to handle any election situation."

Comments followed the party's special convention on Sunday to amend its constitution, taking into account its new Opposition role.

Sunday's convention was held at the San Fernando Technical Institute where Opposition Leader and interim political leader Patrick Manning outlined the party's plans for reform.

Mr Manning claimed that the country was "staring down the abyss of dictatorship."

His comments were made while criticising the Bill to amend the Constitution of Trinidad and Tobago which provides for termination of appointments of persons appointed to public offices by the former President.

The Bill was introduced in Parliament and is open for public comment.

About 1,000 party members attended the special convention including former Government Ministers, among them Hugh Francis, Marilyn Gordon, Norma Lewis-Phillip, Elmina Clarke-Allen and Overand Padmore.

The convention was chaired by former Attorney General Russell Martineau, acting chairman of the party.

The convention approved constitutional changes to provide for an increase in membership dues, changes in the composition of the General Council, the Legislative Group and the policy making body.

Mr Manning was critical of action taken by the Government and drew loud applause during his near hour-long address.

Drawing reference to the Bill, he asked:

"What demon could have provided the inspiration, or should I say revelation to this 'messenger of God', to

promulgate such an ungodly piece of legislation as the Constitution Amendment Bill?"

He criticised the Attorney General for "foisting such an abomination on the people of this land." Mr Manning added:

"Let the people be aware that danger lies ahead. We are staring down the abyss of dictatorship. The Bill is ridiculous, it is symbolic of a vendetta. This Bill was born out of pique and the assertion of power rather than the welfare of the people of the country. Surely, ladies and gentlemen, there is a gathering storm. I can see storm clouds on the horizon. We are indeed a nation in crisis — a crisis precipitated by the ineptitude of the Government, and the vindictiveness of the Prime Minister."

Unable to Deliver

Mr Manning claimed that "everywhere there is a sense of hopelessness and frustration that the Government is unable to deliver the goods. No one feels secure and the freedom and progress which was so much a part of the PNM administration is but a memory."

"Faced with such a chaotic situation, the PNM must regroup and energise quickly. We must all work to make the alternative government the government of the day," he said.

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CSO: 3298/198

NAR, PNM REMAIN AT ODDS, ROBINSON'S ACTIONS SCORED

Alleged NAR 'Vengeance'

Port-of-Spain TRINIDAD GUARDIAN in English 6 Apr 87 p 3

[Text]

PEOPLE'S NATIONAL MOVEMENT Senator Augustus Ram-rekersingh has accused the ruling National Alliance for Reconstruction (NAR) Government of waging a campaign of vengeance.

Speaking at Saturday's PNM regional conference at Mucurapo Senior Comprehensive School in Port of Spain, he attacked what he described as increasing inequality in society and threats to the country's freedom.

Condemning the NAR's 'One Love' motto, Senator Ramrekersingh charged that instead of attempting to govern properly, a campaign of vengeance had been initiated by certain persons in the ruling party who were "supporting their selfish egos" at the people's expense.

He told the gathering that it was unfair for the former Commissioner of Police to escape disciplinary charges, while 53 policemen were suspended, and also faced the possibility of such charges—and the prospect of losing all of their benefits soon.

Action Irresponsible

Turning to the Drug Report, he said the PNM had intended to investigate its contents quietly, in order to gather evidence for prosecution. The present Government, he added, acted irresponsibly where this was concerned, and its treatment of the report allowed the guilty to escape.

The senator said the ruling party had refused the Opposition's requests to extend the Commission of Inquiry into the construction of the King George VI Park, the Hall of Justice, and Chaguaramas Convention Centre.

"Instead, the Prime Minister told Mr Manning to give him any evidence on these issues and they would see if the inquiry is worth it."

He also condemned the move to cut public servants' Cost-of-Living allowances: "What is important about it is the manner in which it was taken from people. We are all called upon to make sacrifices at some time, but it must involve equity. Some must not be made to sacrifice for others, especially when it happens to be those who can least afford it, as opposed to those who can."

Port-of-Spain DAILY EXPRESS in English 7 Apr 87 p 1

[Article by Andy Johnson]

[Text]

PRIME MINISTER A. N. R. Robinson yesterday scotched rumours that Dr Brinsley Samaroo, the Minister who previously held responsibility for information, had been shifted because of his performance.

"It was not a shift at all," Robinson said in a brief interview with the *Express*. "Quite a few of the Ministers in the Ministries did not have assignments in writing, and all that took place was that he was given a specific assignment in writing.

"There is a practice where persons designated as Minister in the Ministry of ... get specific assignments in writing, and he did not get any until now," Robinson said, adding that this was the case with other Ministers.

Asked whether the move was as a result of anything Samaroo may have done or said in the information portfolio, Robinson said, "Not at all."

Samaroo had assumed the responsibility for information along with other assignments in his appointment as Minister in the Office of the Prime Minister, in the formation of the Robinson administration.

He was sworn in during a ceremony at President's House on December 31. Among his other duties are decentralisation, and he worked out of the Minister's office in the old Ministry of Information until last Friday.

He has now been assigned specifically to deal with decentralisation, and has been posted to Kent House, home of the former Ministry of Local Government and Community Development.

Government sources have suggested that Samaroo had been re-de-

ployed to concentrate on this area because of the local government elections listed for July.

Samaroo has drawn a considerable amount of criticism for his comment soon after his appointment that attention had to be paid to content in the media, with particular reference to American shows on Trinidad and Tobago Television.

TV viewers countered by saying Samaroo was attempting to dictate to TTT, and despite several attempts to say he was only expressing an opinion to create public discussion, the view persisted.

He also told a public meeting in New York during a visit there in February that Trinidad and Tobago was now the beggar of the Caribbean, a statement he later said was taken out of context.

Sources close to the Prime Minister have been hinting since then that Samaroo was in trouble in the Information portfolio.

Samaroo was also involved in organising a conference of media organisations in Trinidad and Tobago, with a view to the establishment of a national code of ethics by and for the media. The conference was originally scheduled to take place on March 14 and 15, but was postponed indefinitely. Samaroo held a meeting with senior executives of the media on March 30.

It is understood that Barry Auguste, Permanent Secretary in the Office of the Prime Minister, is now in charge of the Department of Information.

Port-of-Spain DAILY EXPRESS in English 8 Apr 87 pp 1, 2

[Text]

PRIME MINISTER A.N.R. Robinson is not levelling with the country over the issue involving the transfer of Dr Brinsley Samaroo, Opposition Leader Patrick Manning said yesterday.

"The Prime Minister's explanation of the change in Dr Samaroo's portfolio is quite unacceptable," Manning said in response to an article in yesterday's *Express*. He said the Prime Minister ought to be more direct and forthright with the population. "If Dr Samaroo is being disciplined, then the Prime Minister should tell the country so and say what for. If Dr Samaroo did not commit any wrong, then why is he being disciplined?" Manning asked, insisting that the Minister in the Office of the Prime Minister was indeed being disciplined.

Samaroo was relieved of the section of his portfolio dealing with information and has vacated the Minister's office in the former Ministry of Information which he occupied since his assumption of office at the beginning of the Robinson administration. Asked whether Samaroo was being shifted as a result of his performance, Robinson told the *Express* on Monday this was not so. He said all that had happened was that Samaroo had been given assignments in writing for the first time and this did not include the information portfolio.

"The fact is," Manning said, "Dr Samaroo operated out of the building which housed the Ministry of Information and exercised direct control over it, reporting directly to the Prime Minister."

Now called the Department of Information, this former Ministry comes under the Office of the Prime Minister, along with what used to be Local Govern-

ment and Community Development. Samaroo has been assigned to this section of the Ministry.

Scoffing at the Robinson explanation yesterday, Manning, a former Minister of Information in the previous government, said it now appeared that the Prime Minister was "rather sensitive" and was attempting to "concentrate power in his own hands."

That was consistent, he said, with Robinson acting for both the Minister of External Affairs and the Minister of Planning and Reconstruction when they were out of the country, and heading the national planning agency, despite there being a minister responsible for planning and reconstruction.

He said it now appeared that a public servant, Dr Barry Auguste, was now in charge of information and that was wrong. "If the public servants in the department of information reported to Dr Samaroo, they were now reporting directly to the Prime Minister. This means, he said, that Dr Samaroo has been replaced by the Prime Minister."

Port-of-Spain DAILY EXPRESS in English 9 Apr 87 p 8

[Editorial: "Give T&T the Facts, NAR"]

[Text]

OPPOSITION LEADER

Patrick Manning can be expected to score political points whenever the opportunity presents itself, but his criticism that the Prime Minister has not been exactly forthright with the country over the apparent wresting of the Information portfolio from Dr Brinsley Samaroo may well be on solid ground.

It is difficult to believe that the decision to remove this responsibility from Dr Samaroo was not a result of Dr Samaroo's trenchant comments on the nature of most of our television programming ("American thrash," he described it) and the swell of criticism that this engendered. What is unfortunate about this is that Dr Samaroo's criticism of television fare is not unfounded; it is a pity, we think, that he could not have been allowed to do something about it.

But this is a side issue to a larger problem with which the government still appears uncomfortable: its relations with the press. Barry Auguste, as a former diplomat, may have all the charm it takes to woo and win the press, but is he really the right man to handle the government's information business?

To date, neither the Prime Minister nor the Information Division has

fixed any regular schedule of press conferences. True, the Prime Minister and most of his Ministers remain open to queries from the press. But a specific mechanism for regular contact remains hanging in the air, and it will, we predict, prove damaging to the government in the long run.

And that brings us to another, real concern. There is no doubt that the government had made a number of blunders and errors since taking office last December 15. A certain amount of this is to be expected; it would be well nigh impossible to take over the reins of power from a regime 30 years in office and expect everything to go smoothly.

But the government is straining credibility by its apparent fixation with attacking the former regime, even if that includes amending the Constitution to correct a perceived slight by former President Ellis Clarke.

Passing anti-corruption legislation is all well and good. But the biggest problem we face in this country today is the perilous state of the economy. The government set the tone on this issue by declaring the Treasury to be empty almost from its first day in office. It is time they tell

us where we have got to since, and what we are doing to keep our heads above water.

There are ominous signs that the appeal for sacrifice is being lost in a din of sectoral selfishness, and the government is not helping the situation by appearing to be tilting at windmills. Government Senator George Weekes said on Tuesday there were, presumably opposition, agents going about stirring up trouble with the trade unions. Mr Weekes, himself a veteran trade unionist and no small trouble-maker in his own time, must know whereof he speaks.

But we know, as does the government, that unless serious, drastic and consistent action is taken to get the economy in better shape, the agitators for social upheaval will emerge with new-found fury. And, in a population taking licks on all fronts, they will find fertile ground.

Tragically, social upheaval is the last thing that this country can afford.

Port-of-Spain DAILY EXPRESS in English 10 Apr 87 p 43

[Text]

BEFORE launching into a spirited attack on the Opposition in the Senate last Tuesday, Government Senator George Weekes congratulated Senate President Michael Williams on his brief interregnum as acting President of the Republic.

He noted, however, that he and other members of the public "regretted" not seeing outgoing President Ellis Clarke and new President Noor Hassanali together on the day President Hassanali was inaugurated.

In his contribution to the debate on the Prevention of Corruption Bill, passed by the Senate on Tuesday, Senator Weekes insisted it was only on examining a person's track record that it could be determined whether that person was against corruption.

He said he was not at all impressed by the track record of the People's National Movement, whose Members of Parliament were now spouting classic anti-corruption rhetoric, like "we will help lock up the corrupt and throw away the key," when these PNM people were really "enemies of the people now posing as protectors of the people."

Now they were talking about flouting the Constitution, he added, "when it was they who declared a state of emergency and locked up people in death row...."

Senator Weekes equated this situation with South Africa, where "Botha is against apart-

heid but practices it openly." He charged also that newspapers were "giving the wrong slant in order to protect corruption."

"This Government will try its best," Weekes emphasised, "but there are people with vested interests who are out to ensure its policies don't become a reality; they are involved in a great conspiracy to overthrow any effort made against corruption."

Perhaps these people expected an "air-conditioned room in hell," he observed.

"The PNM left the treasury empty after 30 years, with people hungry and starving for bread," he continued. "They sat silent while all this was going on and now they come and ask the Government to inspect projects like George V Park when this happened under them."

It was all part of the PNM's tactics to persuade the Government to come together with them and play the game so none of the corruption would be exposed, Senator Weekes maintained.

He also maintained that corruption and big business were intimately connected, since "big business feeds on corruption while the poor die of famine." He added that lawyers generally should be "guiding lights" in the society, with magis-

trates and judges "pronouncing against corruption," though people now had suffered a loss of faith in the dispensing of justice.

He compared corruption with AIDS, where even those not involved were affected.

Weekes indicated that he strongly supported the Government's new anti-corruption legislation.

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CSO: 3298/198

NAMES OF GOVERNMENT OFFICIALS CITED IN DRUGS REPORT MAY SURFACE

Attorney General's Remarks

Port-of-Spain DAILY EXPRESS in English 9 Apr 87 p 2

[Text]

ATTORNEY General Selwyn Richardson warned yesterday that the National Alliance for Reconstruction government will expose all the problems it inherited and is not prepared to "sweep them under the carpet" to protect anybody.

Richardson spoke at the planting of the first pole in the extension of electricity to the Devil's Woodyard Village in Hindustan near Tableland. The self-help project will cost villagers \$16,000 which represents a substantial reduction from the \$91,000 originally estimated by T&TEC. With him were Councillor Suresh Secharan, David Smith and Ralph Mohammed.

In obvious reference to the controversial bill to amend the Constitution, Richardson said, "the public utilities have been emasculated. Trini-

dad and Tobago is emasculated. The police service is in a mess. Education is in a mess. This is why everybody is crying out. The system of justice is in a mess. That is what this government inherited. These are the problems we inherited.

Said he: "They are hiding behind a piece of paper called a Constitution. And they say we have constitutional guarantees. Constitutional guarantees that will prevent us, as the government, voted in by you, from dealing with your problem. We are saying no such nonsense. We will bring it out from under the carpet and we will deal with it." Richardson called for the support of the people on the amendment to the Constitution.

Port-of-Spain SUNDAY EXPRESS in English 12 Apr 87 p 5

[Article by Ria Taitt]

[Text]

PRIME MINISTER A.N.R. Robinson told a conference of the National Alliance for Reconstruction (NAR) yesterday he now had in his possession the names of the five Cabinet ministers named in the Scott Drug Report.

"I received them only today," he said to a buzzing SWWTU Hall at Wrightson Road, Port of Spain.

But even though he was prompted to reveal the names of the People's National Movement (PNM) ministers, Robinson said he would not. He stated, however, that he would tell them to Leader of the Opposition, Patrick Manning.

Said Robinson: "Mr Manning says I must not call names. So the first person to whom the names will be revealed is Mr Manning."

The conference was to approve amendments to the NAR constitution to cater for its unitary structure. Robinson gave a 90-minute address, which touched on a wide range of issues since the party came to power on December 15.

Dealing with the *Wall Street Journal* report of the PNM minister and the blonde prostitute, Robinson said he had to wonder what was going on in Trinidad and Tobago, because "facts and names" are always bandied about abroad, but "you can't obtain the facts or call the names here."

He said it was "a good thing" that Theodore Guerra, a "friend and colleague", had called the name of the former Cabinet minister, who was alleged to have had an encounter with a blonde since, "people might have been saying that I was the Finance Minister involved."

But, Robinson wondered, how everybody else had jumped into the Tesoro controversy while the people involved had not uttered a single word. He argued that in any other country the person named would have been forced to say something, "but this society is the most tolerant democratic society in the world".

However, the NAR wanted a society, he said, where people could live in peace, "but, for God's sake, don't provoke Robinson and the Cabinet."

Robinson also spoke about the proposed amendments to the Constitution saying that the Trinidad and Tobago Constitution and the way it was framed and operated affected the NAR Government from the very beginning. He asked why was it possible for the highest official in the land to ignore a General Election and the advent of a new government. He wondered what kind of mentality this illustrated and came up later with the "perfectly proper political term" — "fascist."

When one ignores the Government and the elected head, he said, one shows no respect for the people of the country and for the democracy.

The Prime Minister, he said, "whoever he may be" is the elected head and when one "ignores", "disrespects" and "insults" him, it is the people that one is ignoring, disrespecting and insulting.

Stating that the former President was morally and constitutionally wrong, he argued that when a member of the Service Commission, whose appointment was created from this act continued to sit on the body, then "something is rotten."

Opposition Criticism

Port-of-Spain TRINIDAD GUARDIAN in English 13 Apr 87 p 1

[Article by Norris Solomon]

[Text]

OPPOSITION LEADER Patrick Manning said yesterday Prime Minister A.N.R. Robinson should make the names of any former Ministers mentioned in the Scott Drug Report available to him publicly and not privately.

Referring to comments attributed to Mr Robinson that he had the names of five Ministers who were mentioned in the report and would make them available to the Leader of the Opposition, Mr Manning said:

"I do not want him to make them available to me privately, make them available to me publicly and not in the Parliament. We will see that the coffers of the PNM are enhanced."

Mr Manning was speaking at a special convention of the People's National Movement at the San Fernando Technical Institute yesterday where discussions centred on amendments to the party's constitution.

Proposals included increased membership dues and changes in the composition of the General Council and policy-making bodies allowing for the new role of the PNM as the Opposition party.

Before the convention, Mr Manning said the PNM would show how to go about in a democratic manner to change a constitution.

He later criticised the Constitution Amendment Bill introduced in Parliament and charged that the Government will next want to interfere with the Elections and Boundaries Commission.

He said when Prime Minister Robinson makes comments about persons appointed to boards by the former President he was in fact attacking the President of Trinidad and Tobago since he did not hear the President ask anybody to assist him. He noted that the present President had not changed any of the appointments, which he was entitled to do.

Democracy Under Threat

He said the proposed amendment was an attempt to subvert the Constitution and the office of President.

He claimed that democracy in Trinidad and Tobago was under threat and it was the PNM who had to ensure that it was preserved.

Main theme at yesterday's convention, chaired by former Attorney General Russell Martineau, was reorganisation. Some former Government Ministers and parliamentarians attended the convention, which attracted about 1,000 people.

Mr Manning told them "it is appropriate at this time to make it absolutely clear that our party reorganisation exercise is not about destroying. It is about building. Our first principle is to hold on to what we have, especially as we recognise it to be a solid base and foundation on which a revitalised and reorganised movement can be structured."

He said that a comprehensive review of the party's constitution will be carried out, after discussion and consultation with the general membership of the party, at its annual convention later this year.

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CSO: 3298/198

NAR APPROVES FIVE ARTICLES OF NEW PARTY CONSTITUTION

Port-of-Spain DAILY EXPRESS in English 14 Apr 87 p 2

[Text]

THE first five articles of the National Alliance for Reconstruction's (NAR's) new draft party constitution were considered and passed at the NAR's special constituency conference on Saturday.

The five articles concern the name and symbol of the party, which remain the same; the aims and objects of the party, including the intention to "uphold the Constitution of the Republic of Trinidad and Tobago, the rule of law and the fundamental rights of the individual within a framework of economic and social justice and religious freedom"; individual and affiliated group membership of the party; the 11 types of party unit from party branches to national conferences; and the structure and role of party branches.

The National Youth Organisation (NYO) retained its present title, which

article four of the draft constitution proposed to rename the National Committee for Youth Development.

General-secretary Dr Beau Tewarie told the *Express* yesterday the conference is to reconvene later this month to consider the other 15 articles of the constitution.

The conference took place at the Seamen and Waterfront Workers Trade Union (SWWTU) hall and included an address by Prime Minister and political leader A.N.R. Robinson.

When the conference adjourned, discussion on articles six, seven and eight, concerning constituency organisational networks, remained unfinished. These sections propose a requirement for members of the party be affiliated to a party branch within their constituency. Until now, a person could simply be a member of a constituency organisation.

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CSO: 3298/198

GOVERNMENT MONITORING LABOR RELATIONS; COLA STILL DISPUTED

Cabinet Committee

Port-of-Spain TRINIDAD GUARDIAN in English 10 Apr 87 p 1

[Article by Neil Parsanlal]

[Text]

CABINET YESTERDAY appointed a six-member ministerial committee to monitor the industrial relations situation in the country with particular reference to the public utilities and state enterprises.

Apart from monitoring, the committee also has to provide policy guidelines for the appropriate authorities that govern the various utilities and enterprises.

The Minister of External Affairs, International Marketing and Tourism, Basdeo Panday, is chairman of the committee. Other members are: Minister of Industry and Enterprise, Senator Ken Gordon; Minister of Energy, Kelvin Ramnath; Minister of Labour, Dr Albert Richards; Minister in the Ministry of Finance and the Economy, Selby Wilson, and Minister in the Ministry of Works, Settlement and Infrastructure, Joseph Toney.

Committee chairman Panday will report directly to Prime Minister A.N.R. Robinson.

Meanwhile, almost on the eve of the ministerial committee getting down to work, a marked improvement was reported yesterday

in the dispute between the Trinidad and Tobago Electricity Commission (T&TEC) and its employees, who engaged in industrial action to press for resumption of cost of living allowance payments.

Roy Mitchell, T&TEC's public relations officer, said yesterday workers were reporting for duty and going out on assignments.

Prompt Responses

He assured customers they can once more look forward to prompt responses to calls for assistance.

The Commission, in a statement, said it will work round the clock to ensure clearing of the backlog of trouble reports which accumulated over the period of disruption.

Mr Mitchell added that an overhead transmission line damaged by bush fires ravaging the forested areas of northern Trinidad was repaired and returned to service around 1 p.m. yesterday, resulting in the restoration of a regular supply of electricity to Tobago.

The Commission and the Oilfields Workers Trade Union meet today to continue discussions on the matters involved in the dispute.

T&TEC expressed its appreciation to consumers for their patience and understanding during the period of inconvenience.

OWTU Call for COLA Resolution

Port-of-Spain TRINIDAD GUARDIAN in English 10 Apr 87 p 1

[Text]

AS DISCUSSIONS continue on the question of payment of cost of living allowance (COLA) to the workers of the Trinidad and Tobago Electricity Commission, the Oilfields Workers' Trade Union called on Prime Minister A.N.R. Robinson to resolve the current impasse.

In a letter to the Prime Minister, Sylvester Ramquar, executive vice-president of the OWTU, detailed the nature of the discussions between the Government's team and the members of his union at the Eric Williams Financial Complex last Friday.

Mr Ramquar informed Mr Robinson that Albert Richards, Minister of Labour, Employment and Manpower Resources, who chaired the meeting, advised T&TEC to

reconsider its position on the suspension of COLA and that it be paid for February and March.

The union, which represents the T&TEC workers, immediately called on Joseph Toney, Minister in the Ministry of Works, Settlement and Infrastructure, to accept the advice of Dr Richards and give the assurance that he would rescind the instruction to the T&TEC management to suspend payment of COLA.

Mr Ramquar added that he was directed to request that the Prime Minister give serious consideration to the advice and recommendation of Dr Richards and instruct Mr Toney to rescind his instructions that resulted in T&TEC's suspension of COLA from its employees.

Robinson Comments

Port-of-Spain DAILY EXPRESS in English 13 Apr 87 p 3

[Text]

IT WILL take ten years to implement all the policies of the National Alliance for Reconstruction manifesto, Prime Minister A.N.R. Robinson said on Saturday at the party's conference at the Seamen and Workers' Trade Union Hall. In giving an account of his "captaincy", Robinson spoke of some the problems which the Government inherited and stated that, given the "rot," that existed in every quarter of the society, it would take ten years to implement the NAR manifesto.

Responding to "those people who have been saying we promised to do all sorts of things in 90 days," Robinson said, "I don't know where that came from." He stressed that he made a personal promise to introduce Integrity Legislation and the register of gifts.

Speaking about all that occurred since December 15, the Prime Minister and Minister of Finance and Economy said the only thing he regretted was having to suspend the cost of living allowances of public servants. "If I have to make an apology, I make an apology to those who have been affected." He said it was an "agonising experience" to do it but it was the only way to prevent the ship from sinking. If COLA had to be paid, thousands of jobs were going to have to go, he said.

If the ship sank and Trinidad and Tobago had to run to the United States and the International Monetary Fund, it would become a client state and if it had to go to Russia, that would stir up all kinds of trouble, in addition to becoming a client state, Robinson said.

Speaking about the threat of drugs, Robinson said the lives of each Cabinet Minister was at risk, because the drug dealers were prepared to do anything to ensure their continued survival and power. Whenever a government launched an anti-drug campaign, confusion became the element of the day, he said.

"Sometimes you have reactions taking place in the society which you cannot understand because they are artificially generated," he said. Certain elements were seeking to stir up trouble to protect their objectives, he added. Robinson said this Government could not do in 30 days what the previous one did not do in 30 years.

He spoke of Government's plans to re-activate the construction sector and create employment and to stimulate local and foreign investment in the economy. He said the Government had no money but was seeking virtually to make bread out of stone.

The Prime Minister said that in spite of the tough decisions Government had taken, he remained inspired by the population and the way it kept its calm.

Robinson said Government planned to spend two days away from Port of Spain on Tuesday and Wednesday (he did not say where) to study some of the "thorny issues."

Ongoing Negotiations

Port-of-Spain DAILY EXPRESS in English 15 Apr 87 p 6

[Text]

TALKS involving government, the Oilfields Workers' Trade Union (OWTU) and the Trinidad and Tobago Electricity Commission (TTEC) will continue on the Cost of Living Allowance (COLA) issue.

That assurance has come from Prime Minister A.N.R. Robinson in a letter in response to the union's call to have Minister in the Ministry of Works, Settlements and Infrastructure, Joseph Toney rescind his instructions which saw the withdrawal of COLA from TTEC workers.

According to the letter: "The Government is searching for ways and means to resolve not only the immediate problem but also the long term crisis into which the country was heading." Robinson repeated his call for the participation of the union in the national reconstruction effort and promised that government would

continue in its efforts to find ways of bringing the country out of the present hardships.

The OWTU had written Robinson last week calling on him to have the decision to withdraw COLA at TTEC reversed. The union charged that the move was illegal and referred to statements made by Labour Minister Dr Albert Richards in which he expressed the view that TTEC should reconsider its decision to suspend COLA.

The union also called for the opportunity to participate in efforts to eliminate "corruption and squandermania" at the Commission. It has been reported that a committee including the union and government, is expected to be convened soon to examine alleged instances of corruption and waste at TTEC.

Union Solidarity

Port-of-Spain DAILY EXPRESS in English 15 Apr 87 p 5

[Text] The Trade union movement is to continue protest action against the withdrawal of cost of living allowance (COLA) in the public sector.

Consensus was reached on the matter last Monday when representatives of nine trade unions assembled at the Oilfields Workers' Trade Union's Port of Spain headquarters.

It is understood reports were received from various unions on the situation at a number of different enterprises. According to a union source, the Communication Workers' Union informed the meeting there was the threat of the withdrawal of COLA at the Trinidad and Tobago Telephone Company and the Trinidad and Tobago External Telecommunications Co., Ltd.

The Transport and Industrial Workers' Union referred to the withdrawal of COLA at the Public Transport Service Corporation and reiterated earlier speculation that retrenchment at the state-owned bus company was imminent. This has been denied by the corporation.

The National Union of Government and Federated Workers spoke on the situation at the Ministry of Works, Settlement and Infrastructure and at the Ministry of Health, Welfare and the Status of Women. The issue of the operations at the Development and Environmental Works Division was also discussed.

The other organisations taking part were: the Trinidad and Tobago Unified Teachers' Association, Bank Employees' Union, the Public Services Association, the Aviation Communication and Allied Workers' Union and the National Poultry Farmers' Association.

Plans for Union Protest

FL181805 Bridgetown CANA in English 1430 GMT 18 Apr 87

[Text] Port of Spain, April 18 CANA--Local trade unions plan a day of protest on May Day, extending earlier demonstrations against removal of a cost of living allowance (COLA) from public servants.

The protest--on May 1, which is not a public holiday here as Labour Day is marked June 19--is expected to include a picket demonstration of parliament as well as a rally at Port of Spain's Woodford Square.

Union spokesmen said today the main focus of protest would be against the contempt and disrespect shown to the labour movement by both state and private sector employers.

The protests come in the wake of industrial action and earlier demonstrations over the suspension in January of COLA.

Whilst public servants demonstrated against the immediate removal of their benefit three months ago, growing protests have come in the last two weeks from state electricity workers as the public utilities and state agencies announced similar abolition plans.

Union representatives who met Tuesday to decide on action over the industrial relations scene represented workers in the civil service, the electricity commission, the national airline BWIA, and the state telephone company, Telco.

Prime Minister A.N.R. Robinson, speaking last weekend, said the removal of COLA was the main regret of his near four-month administration but he added that government just did not have the money.

Meanwhile a senior local trade unionist says economic recession is likely to lead to more militant labour unions.

Paul, second vice president of the Oilfields Workers Trade Union (OWTU) and general secretary of the umbrella Council of Progressive Trade Unions (CPTU), made the comments at a news conference held to announce plans to mark 50th anniversary celebrations of the labour movement in June.

You would see bad times in the trade union movement and you would see a resurgence of the trade union movement and, perhaps, this is the period when we can rejuvenate the trade union movement and see a resurgence of militant trade unionism, Paul said.

Not necessarily, to be militant for militancy's sake, but militant from the point of view that there's an economic crisis and once there's an economic crisis, you will find people eating away not only at the economic rights but also democratic rights and so on.

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CSO: 3298/198

GOVERNMENT LAUNCHES BORROWING PROGRAM TO FUEL ECONOMY

Port-of-Spain TRINIDAD GUARDIAN in English 10 Apr 87 p 9

[Article by Winston Leader]

[Text] **THE GOVERNMENT** of Trinidad and Tobago has launched a "vigorous" but "judicious" borrowing programme for 1987, as one of the imperatives for sustained economic expansion in the country.

These loans, which are being borrowed on the foreign and local financial markets, are strictly related to project financing, and are being secured on the understanding that the projects will be able to repay the loans.

This year, Government will require an estimated \$1.8 billion for its capital development programme, and when "capital injections" into the public utilities and the State enterprises are added, the figure jumps to \$2.87 billion.

Already, negotiations have yielded TT \$1,069 million, out of the TT \$1,091.6 million borrowing programme for this year — TT \$791.6 million on the foreign market and TT \$300 million locally — has been secured. The money raised so far, excludes a TT \$132.5 million Inter-American Development Bank (IADB) loan agreement which was signed last week.

Part of the local component of the loans Government is seeking was also raised last week. Approximately \$145.5 million in floating rate bonds, with a minimum issue of \$100 million underwritten by Republic Finance Corporation (FINCOR), and a maximum of \$300 million, was placed on the local market.

Japanese Market

In February, Government had successfully concluded a \$175 million private bond placement on the Japanese financial market in its attempt to raise the \$791.6 million component of the foreign borrowing.

The remainder of the foreign loans will be obtained through disbursements totalling approximately \$436 million under export credit facilities which are already in place, and a TT \$180 million Eurodollar loan facility, for which negotiations have begun with prospective lenders.

These loans are to be used for a range of development projects, Trevor Sudama, Minister in the Ministry of Finance and the Economy, with responsibility for Government's borrowing programme, said in a recent interview with the Information Division, office of the Prime Minister.

Government's aim is to diversify the economy and decrease dependence on oil for foreign exchange earnings and build infrastructure for the development of a strong agricultural and agro-industry sector, tourism and light downstream manufacturing, for example, a Point Lisas, and the creation of additional employment.

The IADB loan will be used for building 16 primary schools, including new schools in housing development areas and the replacement of old school buildings that are dilapidated or which have had to be demolished.

A Learning Resource Centre will also be established with the IADB loan. This centre will serve as a permanent source of continued reform and upgrading of all levels of education, except university and other post-secondary institutions.

While the local and foreign loans will boost economic activity, the local loan, in addition, will assist in the further development of the domestic capital market by adding to the existing stock of negotiable market instruments.

We Shall Overcome

At the signing of the agreement with FINCOR last week, Government noted that the company's willingness to underwrite the minimum issue of \$100 million was an indication of its confidence in the future of the economy of Trinidad and Tobago.

"This effort on the part of FINCOR is to be commended, especially because it contributes meaningfully to the reconstruction programme, to which this Government is firmly committed," the Ministry of Finance and the Economy said in a statement at the signing.

A similar confidence in the Trinidad and Tobago economy and Government's restructuring and diversification programme was expressed by the Japanese financial community, after being apprised of what was taking place since the new Government took office, Mr Sudama said.

"The consensus which emerged from these discussions was that the Japanese financial market views the economy of Trinidad and Tobago as basically sound. In view of Government's new thrust, investors seemed confident that (the country) would be able to overcome its present economic and financial difficulties and to resume economic growth," Mr Sudama, who led the Trinidad and Tobago delegation to Japan earlier last month, said.

"As a consequence," Mr Sudama said, "the delegation is of the view that borrowing opportunities will continue to exist for Trinidad and Tobago on the Japanese financial market provided that the timing of future approaches is carefully chosen and the market is constantly supplied with current economic, social and political information on Trinidad and Tobago."

Mr Sudama also said that arrangements were in place with reputable international financial institutions for financing such other on-going projects as the purchasing of an estimated \$200 million worth of equipment for the Mt Hope

Medical Sciences Complex; \$100 million for the passenger/ferry which is being built in West Germany; \$34 million from the Industrial Bank of Japan for financing the purchase price of the former Tivaco Trinidad Inc's local assets; and \$100 million from an Austrian/West German financial institution, for the Iron and Steel Company of Trinidad and Tobago.

These funds will be used to finance the borrowing shortfall, Mr Sudama said.

Vigorous Programme

In dealing with Government's borrowing this year, Prime Minister and Minister of Finance and the Economy, A.N.R. Robinson had said in his Budget Speech in January, in order to achieve our budgetary targets, it is essential, therefore, that we tap both foreign and domestic sources of savings.

It is our intentions, he added, "to pursue a vigorous borrowing programme this year, having regard at all times to our firm commitment to observe the highest standard of prudent financial management."

This prudent management will mean that loans will not be used for financing recurrent expenditure. The money government borrows, Mr Sudama said, will be used either for the general development programme or be tied in to particular projects, such as the IADB loan, for example.

Proper financial management also means, Mr Sudama said, that a mix of loans — some from local sources, others from foreign sources, and at concessionary interest rates, some of which should be negotiated — so that the future debt servicing programme will be kept within manageable proportions.

The fund raised on the Japanese market carry an annual interest rate of 6.8 percent and will mature in seven years. This interest rate is considered a "fair commercial rate," Mr Sudama said.

Interest for the \$145.5 million floating rate notes raised last week by FINCOR will be at an annual rate of two percent below the average prime lending rate of

local commercial banks.

Asked if Government's borrowing policy will force the country into the grip of the International Monetary Fund (IMF), and if we were free from out of its reaches, Mr Sudama responded with a reassuring "yes."

Once the Government puts its economic growth and development policies in place, and once they are implemented, "we will not have to go to the IMF," Mr Sudama said, adding that it was Government's policy to manage the debt servicing by being very careful how the borrowed money was used.

Borrowed funds would be used on projects which contribute to Government's industrialisation and diversification of the economy thrust, on jobs which generate economic activity and improve incomes and the foreign exchange earnings with which to service the country's

Important Role

Recent public addresses by two Ministers — Senator Ken Gordon, Minister of Industry and Enterprise, and Selby Wilson, Minister in the Ministry of Finance and the Economy, have underscored Government's commitment to general economic development.

Senator Gordon said at the opening of an exhibition by local footwear manufacturers that, "as we look to the future, we have to focus our sights on the necessity for the country to conserve foreign exchange and to generate jobs. This means that where an item can be efficiently produced here, it must be produced here."

But to be able to generate economic activity, we must use savings to assist that process, Mr Wilson said at the annual general meeting of the Trinidad and Tobago Telephone Credit Union, re-

cently.

"Mobilisation of savings play an important role in the process of economic development, since economic growth cannot be achieved unless a portion is saved and invested in the creation of new productive capacity," Mr Wilson said, adding:

"It is this new productive capacity that brings relief to the unemployed by the provision of new job opportunities."

Pointing out that in today's difficult economic circumstances citizens levels of expenditure on consumption must be reviewed, Mr Sudama said: There must be a switch from consumption to savings and ultimately these savings must be directed into the creation of new productive assets.

Strong Thrust

Prime Minister Robinson had said in an interview in Port-of-Spain earlier this month, with the CARICOM Secretariat, that Government's thrust is going to be very strong in the area of improving living conditions of the poorer sections of the community, but that cannot be developed immediately.

The economy, he added can only be developed if we manage the present crisis and are able to mobilise the resources which we are seeking to mobilise, which are no longer available from recurrent surpluses..., and (by) seeking to attract as a supplement, loan capital.

So that there is an expansionary movement in the economy as a whole which will take up the very serious question of unemployment as well as improvement in incomes in the marginal areas, the Prime Minister said in response to a question on the new social compact which Government is intent in forging with the people. — Ministry of Information.

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CSO: 3298/198

PETROLEUM INDUSTRY TROUBLES, JOB LOSSES REPORTED

Cut in Drilling Funds

Port-of-Spain SUNDAY GUARDIAN in English 12 Apr 87 pp 1, 12

[Text]

MORE than 10,000 jobs have been lost, and the country has suffered a \$170 million decline in gross income resulting from a tax structure based on the much higher oil prices two years ago, and which is causing funds for drilling to dry up. The net loss in taxes amounts to \$100m. (See Page 3 stories)

Research by this newspaper has revealed that the 1985 levels of taxation based on an oil price of US \$30 per barrel are still being charged despite the fact that the price has dropped to US \$18 per barrel.

Massive Deficit

Faced with a massive current deficit of approximately \$2 billion, Government is finding it nearly impossible to reduce oil taxation to a realistic level.

The former Government "solved" the problem by not facing it, even though the matter was brought to their doors by key people in the oil industry who pleaded and complained and begged for judgement.

The upshot is that crude oil production declined from 64.3 million barrels in 1985 to 61.6 million barrels in 1986. For the records, crude production had risen from 78.6 million barrels in 1975 to 83.7 barrels in 1978.

It declined to 62 million barrels in 1984 before climbing again the following year, and then declining once more. In terms of daily production, the current level is 165,000 barrels per day as compared with 240,000 barrels per day in 1978.

The fact that there was increased drilling activity in 1984 (up 12.5 percent in total annual depth penetrated) and that there was a rise in crude production in 1985, indicates that the level of drilling activity in one year, influences production the following year.

And since drilling dropped in 1986, it is not surprising that production is less in 1987. Experts point out that because Trinidad's oil is minimal in terms of international supply, it is possible to sell all oil the country can produce, "but it is important to keep current markets open," principally the US.

This is precisely what is happening at present.

The situation is made more nettlesome by the severance pay requirements which have having "draconian" effects on the cash and resources positions of the principal drilling

companies. Some drillers regard the legislation as "catastrophic," since they are called upon to make payments that are at times double the earnings of the companies.

One indication of severance pay requirements is the steep decline in employment - down 75 percent from a figure of approximately 2,000 persons (in drilling companies) some two years ago.

The Cash Squeeze

The cash squeeze is causing "neglect of the oil industry" charges Charles A. Brash, Chairman of Well Services Limited, one of the three big (Trinidad and Tobago) drilling firms, the others being Skinner and Santana.

He notes that there is "an almost total shut-down of drilling operations and secondary recovery." There are some 15 to 20 smaller companies with 50 workover rigs, which are also affected.

Brash said that instead of accenting increased oil production to step up the country's dollar earnings, the major assault and effort have been directed towards "the sick manufacturing and export sectors." Hence, "the morale of oil workers from top management to roustabout, is at its lowest ebb ever."

He declared that since the state cannot or will not fund capital expenditure for the development and production of oil which it can most assuredly sell, then the new boards that have been appointed could consider borrowing the capital from places such as Japan.

If the present tax structure cannot be altered, then "the alternative could be to keep the existing tax on the present level of production, and give the incentive for these companies to produce more oil by abandoning the tax structure on each new barrel of oil, and impose straight corporation tax on the increased production."

"In the case of the state-owned corporations, all taxes can be removed, as the proceeds will eventually flow back to the treasury."

Kelvin Khan, Director of Skinner Marine Operations Limited, complained that even if the price of oil had stayed at US \$34 a barrel, "even if it went to US \$100 a barrel" - the production figure would be in decline because

not enough attention is being given to managing the oil industry and to drilling.

Indigenous crude, he said, could not only supply stock for various oil products, but could help lower the dependency on foreign oil for refinery throughput which has also been taking a beating, dropping 321,268 barrels per day in 1976 to 81,460 barrels per day in 1985. This represents both refineries and pales in comparison with the over

300,000 barrels per day handled by the Texaco refinery alone in the sixties.

Oil experts agree that over-dependence on petroleum is unwise, and that diversification of the economy is essential. However "oil is the mainstay that should not be allowed to collapse, especially as there are no alternatives immediately in sight. We must not abandon the goose that continues to lay golden eggs."

Drop in Production

Port-of-Spain DAILY EXPRESS in English 15 Apr 87 p 1

[Article by Andy Johnson]

[Text] **STATE-OWNED Trinidad and Tobago Oil Company (Trintoc), has asked for more than \$250 million to cover operating expenses in 1987, the *Express* has learnt.**

Refusing to state a figure on the company's request to the treasury, Energy Minister Kelvin Ramnath told the *Express* yesterday the company was losing "a considerable amount of money." He said this would result, in 1987, in "a severe drain on the treasury" from this company alone.

He said he had been informed, however, that the company would begin to turn a profit by the end of this year.

He added that the country's other major land based state-owned oil company, Trinidad and Tobago Petroleum Co., (Trintopec), would also lose money in 1987. But this, he said, would be as a result of the commitment to complete payments to the Tesoro Corporation. Trintopec expects to complete its payment in fuel oil to Tesoro as part of the terms of agreement for the sale of Tesoro's assets in the former Trinidad-Tesoro Petroleum Company. But Ramnath said Trintopec would not be approaching the treasury for money in 1987.

In an interview at his office in Port of Spain, the Energy Minister spoke of current developments in the petroleum industry, and about his Ministry's plans to arrest what he described as a disturbing slide in oil production.

He said total crude oil production stood at a depressing 159,000 barrels a day last week, below the 162,000 barrel average for the first three months of the year. He said production had dropped more than 10,000 barrels a day since the beginning of the year.

"This is an extremely frightening thing for Trinidad and Tobago," Ramnath said, "especially at a time when oil prices are holding steady." He said the country needed to maintain an average production of 180,000 bpd.

He said most of the decline was with Amoco Trinidad Oil Company's offshore production.

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BRIEFS

TOBAGO-BLACKOUT 'CRISIS'--"Tobago faces an impending catastrophe as a result of those who manage the Trinidad and Tobago Electricity Commission." So said Sylvester Ramquar, vice president of the Oilfield Workers Trade Union (OWTU) as he questioned the working condition of stand-by facilities in Tobago, as well as the island's total dependence on Trinidad for electricity. Tobago is fed by two submarine cables via 2-33 kv. overhead transmission lines, passing through the Matura-Toco forests. Fire destroyed one of these lines some time ago, and it has not yet been repaired. The other transmission system which provides Tobago with a permanent supply came crashing down last Wednesday. This said Ramquar, combined with the fact that the transmission itself was rendered inaccessible as a result of a fire in the Matura-Toco forest, would result in the transmission system not being put back in service for several days to come. He further pointed out that the back-up services in Tobago were not designed to run continuously in excess of a few hours, so that there was the possibility that these machines will suffer extensive damage and the residents of Tobago will be forced into black-outs for an extensive period. According to Ramquar, when the Government begins to investigate TTEC, it must ask why the system was allowed to deteriorate to the point that it has reached, and why there wasn't any permanent generating capacity, or even continuous-rating machinery installed in Tobago. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 15 Apr 87 p 14] /8309

NEW LPG PLANT--San Fernando--Chairman of Ramco Industries Ltd, Razai Azard Rahaman, said on Saturday that its new automated LPG filling plant, described as "a most efficient modular plant," is capable of supplying the entire needs of Trinidad and Tobago, should the need arise. He was at the time speaking at the formal opening of the \$10 million plant at Cross Crossing, San Fernando. The plant was opened by Energy Minister Kelvin Rampath. Mr Rahaman said the new plant has the following features: Fire alarm systems with heat detectors and gas detectors; emergency shut-off valves; sprinkler system with 20,000 gallons of water storage and a ring of hydrants; 24 automated filling machines. It also has a computerised scale to monitor, control and record production, a standby power supply, standby pumps for both filling and off-loading of trucks and an electrical system that is explosion proof. [Excerpt] [Port-of-Spain TRINIDAD GUARDIAN in English 14 Apr 87 p 3] /8309

COOPERATION WITH INDIA--Port of Spain, March 16 CANA--India is to set up a cultural centre here and sees the possibility for a number of joint ventures, according to External Affairs Minister N.D. Tiwari, who ended a two-day visit here over the weekend. Tiwari, in Trinidad and Tobago on a goodwill visit after attending a non-aligned movement meeting in Guyana, signed a cultural cooperation agreement on behalf of his government. He said that India hoped to establish a cultural centre here later this year. India has established such centres in Guyana and Suriname. The new agreement is aimed at helping cooperation between the two countries in areas such as the arts, mass communications, information, sports, science and anthropology. Tiwari told reporters he saw the potential for cooperation in areas including industrial research and joint ventures in marine development, ceramics, and pharmaceuticals. [Text] [Bridgetown CANA in English 1518 GMT 16 Mar 87 FL] /8309

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